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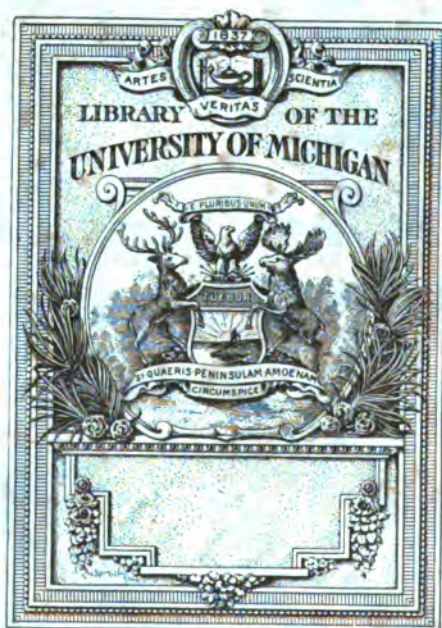
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THE GIFT OF
A. S. Green



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THE FINANCE COMMISSION

OF THE

CITY OF BOSTON

APPOINTMENTS, ORGANIZATION AND
COMMUNICATIONS

VOLUME I.



BOSTON
MUNICIPAL PRINTING OFFICE
1908



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APPOINTMENT AND ORGANIZATION

MESSAGE OF THE MAYOR OF JANUARY 7,
1907, RECOMMENDING APPOINTMENT OF A
FINANCE COMMISSION.

CITY OF BOSTON,
OFFICE OF THE MAYOR, January 7, 1907.

ERRATA.

Page.	Line.	Correction.
5	2d from top.	Insert "the" after "recommending."
37	3d "	For "effect" read "affect."
45	12th "	For "aassignments" read "assignments."
46	9th "	Insert a comma after "Sanitary."
55	11th from bottom.	For "prior to" read "between 1892 and."
57	17th from top.	For "for thin" read "forth in."
64	20th "	For "advanced" read "advance."
64	26th "	For "grounds" read "ground."
64	3d from bottom.	For "444" read "435."
66	6th "	For "details" read "detail."
81	15th "	For "ransaction" read "transaction."
91	24th from top.	For "\$525.00" read "\$52,500."
98	7th from bottom.	For "has" read "had."
101	3d from top.	For "or thereof" read "methods of."
110	14th from bottom.	Insert "or" after "Charlestown."
121	15th from top.	For "87" read "67."
152	16th from bottom	Omit "Statutes 1899, chapter 450, section 11;"
153	22d from top.	For "to" read "of."
162	14th "	For "discontinued" read "continued."
162	16th "	For "discontinued" read "continued."
209	7th from bottom.	For "1885" read "1895."
256	21st from top.	For "than if" read "than it would pay if."
266	10th from bottom.	For "50" read "60."
518	7th from bottom.	For "That the South Boston ambulance station be discontinued" read "That the maintenance of the South Boston ambulance station by the Public Buildings Department be discontinued."



MESSAGE OF THE MAYOR OF JANUARY 7,
1907, RECOMMENDING APPOINTMENT OF A
FINANCE COMMISSION.

CITY OF BOSTON,
OFFICE OF THE MAYOR, January 7, 1907.

To the City Council:

I think it proper to call to your immediate attention the importance of favorable action by the City Council upon the accompanying order, providing for the appointment of a Finance Commission, which is substantially the same as one which I sent to the Board of Aldermen on December 13. Since this proposition has been made public, it has received a large amount of support from business men and taxpayers, and the general sentiment of our citizens is certainly in favor of some action of this character by the City Government. I now repeat to the City Council of 1907 substantially the same message on this subject which I sent to your predecessors.

A comprehensive inquiry into the finances of the City has been under serious discussion for some time, and I have given a great deal of consideration to this subject. Early in November I publicly announced my intention of instituting an inquiry into the finances of the City and the conduct of its affairs, believing that the citizens of Boston were in favor of such an undertaking if entrusted to a competent and impartial body. I am of the same opinion now.

The only proper authority to institute an investigation of the condition of its finances is the City itself. What is required is a business examination of the subject by a body of such representative, able and impartial citizens of Boston that our taxpayers will have full confidence in the soundness of any conclusions which they may reach. A political investigation by a legislative committee or by a commission constituted by the State could not conform to these requirements. A State commission, aside from the political character, either partisan or bi-partisan, which it would necessarily have, would

be open to the further important objection that the State, instead of itself providing the considerable sum required for a thorough investigation, would merely order the City of Boston to do so. The proposed inquiry should therefore be authorized by the City Government, as the City will in any case have to pay the bills, and not until conclusions have been reached should the Legislature be asked to take any action, unless it were to give to a Municipal Finance Commission powers below referred to which the City cannot itself give. At the conclusion of the inquiry legislative action would doubtless be necessary, as our present financial conditions are in a large measure the outcome, not of the free action of the City Government, but of laws which have been passed from time to time by the Legislature.

While it would be within the general powers of the Mayor to constitute a commission for such a purpose and to select its members without action by the City Council, I deem it advisable, in view of the great importance of the subject, to bring the matter before your body and to recommend that it give its sanction to the creation of a Finance Commission. The making of appropriations and the authorizing of loans is a function of the City Council in which the Mayor has power to participate, aside from the making of recommendations, only by the exercise of the veto power. It therefore seems to me proper that any investigation of the finances of the City should be expressly provided for by the City Council, and that an adequate appropriation for that purpose should also be made by it in advance.

While, as I pointed out in my inaugural address, the tax-rate of Boston is not a high one, compared with those of the other cities of the Commonwealth — only one of which in the year 1905 had a lower rate — it is claimed that our assessments upon real estate, particularly real estate of a residential character, are generally higher than in other cities in relation to selling values. Our debt is admittedly a large one, and under our long-established financial system the regular debt of the City increases from year to year with the growth of its valuation, to say nothing of the additions which are made to it from time to time by the loans outside the debt limit.

In estimating the real weight of our indebtedness, however, it must be borne in mind that debt incurred for the purpose of subway and tunnel construction stands upon a special footing, and should not be counted as an additional burden upon the taxpayers. These loans, now amounting to a total sum of \$10,936,690 in excess of sinking funds — which figure will, under existing legislation, be increased by several millions of dollars within the next year or two — are, of course, especially secured by the ownership of the subways and tunnels constructed by the City, and as these are leased, with the exception of the East Boston tunnel, upon a basis which takes care of all interest and sinking fund requirements, they represent a safe and profitable investment of City funds. But even after making this proper deduction the remaining direct net debt of Boston, now amounting, without including the county debt, to \$54,975,592, is a very large one; and the indirect debt for which we are liable, through the share of the State loans for metropolitan purposes which is assessed upon us, is estimated to amount to the large additional sum of \$43,176,659.

I fully realize that in order to accomplish the objects of the proposed inquiry a Finance Commission constituted by the City Government must not only be, in fact, wholly free from partisan bias, but must be known to be so constituted that it cannot be affected by any personal or political influences. I therefore recognize that to meet the special conditions of this case a departure should be made from the usual method of appointment by the Mayor. After full consideration of the matter, I believe that the largest influence can be exerted and the best results secured by a commission whose members are selected with entire freedom of choice by the most representative bodies of the City.

I therefore recommend that the proposed Finance Commission consist of seven citizens of Boston, to be chosen one each by the following bodies, namely: The Associated Board of Trade, the Chamber of Commerce, the Boston Merchants' Association, the Clearing House Committee, the Real Estate Exchange, the Central Labor Union, and a committee made up of the presidents of the several citizens' or local improve-

ment associations in the various sections of the City. The financial, commercial, real estate, labor and local improvement interests of the City will thus be represented upon the commission, and any results which it may arrive at should command such general public support as to render it possible to carry them into effect.

The only objection urged against the proposed commission which seems entitled to any consideration is based upon its lack of power to compel the attendance of witnesses and the production of books and papers. Those who urge this objection seem to overlook the fact that the Mayor, as the chief executive officer of the City, has full authority under the charter to order any official or employee of any of the Executive Departments to appear before the commission and assist its investigations in every possible manner. It would certainly be the height of folly for any Mayor to recommend the establishment of such a body unless he were prepared at its request to use his full official authority in furtherance of its work, and the fullest co-operation on the part of the Mayor and all other City officials must certainly be assumed. While I myself doubt whether any further powers are needed, yet if the City Council believes that this Finance Commission should be given full legal authority to compel the attendance of witnesses and the production of books and papers, I shall be glad to petition the Legislature, which is the only body competent to grant such powers, to vest them in the commission. My whole object is to make the proposed inquiry as searching and thorough as possible, and the constitution of the proposed commission should be enough to convince any fair-minded man that the Mayor would be wholly unable to control the action of such a body, even if he were disposed to do so.

I therefore recommend the speedy passage by the City Council of the accompanying order. I believe it to be desirable, while leaving the scope of the proposed inquiry practically unlimited, that certain obviously important branches of the investigation should be specified in the order.

Respectfully,

JOHN F. FITZGERALD, *Mayor*.

ORDERS OF THE CITY COUNCIL.

ORDER OF CITY COUNCIL FOR APPOINTMENT OF A
FINANCE COMMISSION, APPROVED BY THE MAYOR
JANUARY 29, 1907, AS AMENDED BY AN ORDER
OF THE CITY COUNCIL APPROVED BY THE MAYOR
MARCH 7, 1907.

Ordered, That His Honor the Mayor be authorized to appoint a Finance Commission, to consist of seven citizens of Boston, recommended to him for such appointment, one each respectively by the Associated Board of Trade, the Chamber of Commerce, the Boston Merchants' Association, the Clearing House Committee, the Real Estate Exchange, the Central Labor Union and a committee made up of the presidents of the several citizens' or local improvement associations in the various sections of the City. In case of any vacancy in the membership of the Commission, it shall be filled by an appointment made upon the recommendation of the organization upon whose recommendation the original appointment was made. Such Commission shall serve until December 31, 1908, unless it shall be dissolved by its own vote before said date, and it shall make its final report to the City Council not later than said date.

Such Finance Commission shall examine into all matters pertaining to the finances of the City, including debt, taxation and expenditures, shall give public hearings, and shall in particular inquire:

(1.) Whether under the present practice of the City its objects of expenditure are rightly divided between those which may properly be provided for by loan and those which should be met by taxation, and whether its loans are now issued for proper periods.

(2.) Whether the present distinctions between loans inside and outside the debt limit are based upon sound financial principles.

(3.) Whether any change should be made in the present system of accumulating sinking-funds and issuing new loans annually.

(4.) Whether debt, taxation or assessments upon property are now excessive, and, if so, in what manner the same can be reduced.

(5.) Whether present systems of bookkeeping, auditing and administration afford sufficient protection to the City treasury.

(6.) Whether the cost of any municipal works or services now paid for from the City treasury should be raised by special assessment, or whether any changes should be made in existing provisions for the laying and collecting of special assessments.

(7.) Whether the financial burden imposed upon the City in connection with the expenditures for the construction and maintenance of metropolitan works are excessive or unfair, and, if so, how the same can be reduced or made equitable.

(8.) Whether any changes should be made in the present distribution of powers relative to appropriations, loans and expenditures.

(9.) Whether the general taxation laws of the State, and particularly those relating to the taxation of the property of corporations, operate fairly in respect to the interests of Boston, and, if not, what changes should be made in them.

(10.) Whether appropriations and loans for the several departments of the City are larger than necessary.

(11.) Whether the limit of municipal indebtedness should be fixed by constitutional amendment, or the present statute, fixing the limit, should be repealed or amended.

The members of such Commission shall serve without pay, and shall be authorized to employ such experts, counsel and other assistants and to incur such other expenses as they may deem necessary or proper, not exceeding in the aggregate the sum hereby appropriated. The sum of fifty thousand dollars (\$50,000) is hereby appropriated to be expended by such Commission for the purposes hereby authorized at any time during the calendar years 1907 and 1908. All

expenses incurred by such Commission shall be duly authorized by vote passed by the affirmative votes of a majority of its members and shall be approved for payment by the chairman of such Commission. All officers and employees of the City shall furnish to such Commission all information or assistance which it may require in the discharge of its duties.

SUPPLEMENTARY ORDER RELATIVE TO DUTIES OF FINANCE COMMISSION, PASSED BY CITY COUNCIL AND APPROVED BY THE MAYOR FEBRUARY 11, 1907.

Ordered, That the Finance Commission to be appointed under the authority of an order of the City Council be further instructed to inquire into the following subjects, viz.:

(1.) Whether it is advisable to create new sources of revenue, and, if so, to suggest the sources and for what purpose the proceeds should be applied.

(2.) To inquire into the present general plan of sewer construction and report whether or not it is the one best adapted to the City, and, if not, to investigate and report a comprehensive scheme for future development of the sewer system, with special reference as to the amount of money the City can annually afford to spend for the completion of work already begun.

ORDER APPROPRIATING \$50,001 FOR EXPENSES OF FINANCE COMMISSION, PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR MARCH 25, 1907.

Ordered, That, to meet the expenses which the Finance Commission (to be appointed under authority of the order of the City Council approved March 7th) is authorized to incur, the sum of \$50,001 is hereby appropriated, to be expended by said Commission during the years 1907 and 1908, and that said amount be raised by taxation upon the polls and estates taxable in the City of Boston.

ACTS AND RESOLVES OF MASSACHUSETTS.

1907.

[CHAP. 481.]

AN ACT RELATIVE TO THE INVESTIGATION OF THE
FINANCIAL CONDITION OF THE CITY OF BOSTON.*Be it enacted, etc., as follows :*

SECTION 1. The commission of seven to consider the financial condition of the City of Boston, appointed under the authority of the City Council of the City, which commission consists of one person nominated by each of the following organizations, to wit: The Boston Chamber of Commerce, The Associated Board of Trade of Boston, The Boston Merchants' Association, The Boston Real Estate Exchange, The Boston Clearing House Association, The Boston Central Labor Union, The Citizens' Associations of Boston, is hereby given the following powers: (The authority to summon witnesses and enforce their attendance, to order the production of books, papers, agreements, and documents, and to administer oaths in accordance with the provisions of chapter one hundred and seventy-five of the Revised Laws.

SECT. 2. The powers herein granted shall not be exercised by said commission after the thirty-first day of December in the year nineteen hundred and eight.

SECT. 3. Nothing in this act shall be construed as denying to any citizen the right to attend hearings, and to volunteer information and testimony under such reasonable regulations as the commission may prescribe.

SECT. 4. This act shall take effect upon its passage.

[Approved June 7, 1907.]

Pursuant to the orders of the City Council the members of the Finance Commission were duly appointed, as appears from the following letters and communications :

NOTIFICATION TO ORGANIZATIONS.

January 30, 1907.

JOHN F. CROCKER, Esq.,

President, Boston Chamber of Commerce.

DEAR SIR, — I enclose copy of the order constituting a Finance Commission as passed by the City Council and approved by myself. In accordance with the provisions of this order, I hereby request your organization to recommend one person to me for appointment as a member of said Commission.

As it is my desire to have the membership of the Commission completed as soon as possible in order that it may organize and enter upon its work, I trust that your organization will be able to select its member as soon as possible.

Yours respectfully,

JOHN F. FITZGERALD, *Mayor.*

The same letter, *mutatis mutandis*, was sent to the following:

Boston Merchants' Association.	Boston Central Labor Union.
Boston Real Estate Exchange.	Associated Board of Trade.*
Clearing House Committee.	

NOMINATIONS BY ORGANIZATIONS.

THE FIRST NATIONAL BANK OF BOSTON.

July 16, 1907.

HON. JOHN F. FITZGERALD,

Mayor of Boston, City Hall, Boston.

MY DEAR SIR, — On behalf of the Clearing House Committee of the Associated Banks of Boston, I beg to submit the name of Hon. George U. Crocker for appointment on the proposed Finance Commission.

Respectfully,

D. G. WING, *Chairman.*

*The presidents of the local improvement associations, having already nominated their representative, were not so notified.

BOSTON, July 16, 1907.

HON. JOHN F. FITZGERALD,

Mayor of Boston, City Hall, Boston, Mass.

DEAR SIR, — I have the honor to advise that the Boston Associated Board of Trade has selected Hon. John A. Sullivan for the appointment as delegate from this Board to the Finance Committee to examine into all matters pertaining to the finances of the City of Boston, in place of Mr. John Mason Little, who has been obliged to decline to represent the Board on said Committee.

Mr. Sullivan's address is No. 540 Tremont building, Boston, Mass., and we hope this choice will meet with your approval and that Mr. Sullivan be confirmed as the Board's representative.

Very truly yours,

JOHN T. BOYD, *Secretary.*

BOSTON, July 17, 1907.

HON. JOHN F. FITZGERALD,

Mayor of Boston.

MY DEAR SIR, — On March 9, 1907, the United Improvement Association met for the purpose of electing a member to the Finance Commission. At this meeting, at which a quorum was present, George A. O. Ernst was unanimously elected to represent this Association on said Commission.

Yours very truly,

WILLARD N. POLAND, *Secretary.*

BOSTON, July 15, 1907.

HON. JOHN F. FITZGERALD,

Mayor, Boston, Mass.

DEAR SIR, — The Boston Merchants' Association has this day selected Mr. John F. Moors to represent the organization on the Finance Commission.

Yours truly,

JEROME JONES, *President.*

July 8, 1907.

HON. JOHN F. FITZGERALD, *Mayor.*

DEAR SIR, — In accordance with your letter of January 30, 1907, requesting this Exchange to recommend one person to you for appointment as a member of the Finance Commission, I beg to say that at a meeting of the Directors of this Exchange held

to-day, it was voted to recommend to you the name of Hon. Nathan Matthews for such appointment.

Very respectfully yours,

F. H. VIAUX.

BOSTON, MASS., July 17, 1907.

HON. JOHN F. FITZGERALD,

Mayor, City of Boston.

DEAR SIR,—I have the honor, in behalf of the Board of Directors of the Boston Chamber of Commerce, to present to you the nomination of Mr. Samuel Carr, one of the trustees of the Ames estate, as our candidate for the Finance Commission.

Trusting that this nomination may meet with your hearty endorsement, I remain,

Sincerely yours,

DANIEL D. MORSS, *Secretary.*

BOSTON, MASS., July 1, 1907.

HONORABLE JOHN F. FITZGERALD,

City Hall, Boston, Mass.

DEAR SIR,—By vote of the Boston Central Labor Union, I was instructed to appoint a member of the Finance Commission to investigate the finances of the City of Boston. In compliance with that vote I hereby appoint John F. Kennedy, 789 Washington street, Boston, Mass., to represent the Boston Central Labor Union on this Commission.

Trusting that their work will be successful, I remain

Yours respectfully,

A. M. HUDDALL,

President of the Boston Central Labor Union.

APPOINTMENTS BY THE MAYOR.

July 20, 1907.

HON. JOHN A. SULLIVAN,

77 Mountfort street, Boston.

DEAR SIR,—Your name having been presented to this office by the Boston Associated Board of Trade for appointment to the Finance Commission, in accordance with the provisions of the order of the City Council, I hereby appoint you a member of said Commission.

As soon as I find it possible to obtain a full attendance of the members of the Commission, I will call a meeting of the same, at which the Commission may organize and proceed to discharge the duties imposed upon it by the order of the City Council. It is desirable, of course, that the organization of the Commission should take place at once. What day will be most convenient for you to attend a meeting of the Commission at the Mayor's office?

I enclose herewith copies of all orders of the City Council and of an act of the Legislature which relate to the powers and duties of the Commission.

Respectfully yours,

JOHN F. FITZGERALD, *Mayor*.

The same letter, *mutatis mutandis*, was sent to

Mr. Samuel Carr, Mr. George U. Crocker, Mr. George A. O. Ernst, Mr. John F. Kennedy, Mr. Nathan Matthews, Mr. John F. Moors.

ACCEPTANCE OF COMMISSIONERS.

BOSTON, July 22, 1907.

HON. JOHN F. FITZGERALD, *Mayor*.

DEAR SIR, — Your letter of July 20th, informing me of my appointment as a member of the Finance Commission duly received, and I thank you for the confidence and honor thereby given me.

I will be ready to attend a meeting at your office any day this week, and on receiving notice as to the day and hour, will arrange my engagements accordingly.

Respectfully,

G. U. CROCKER.

July 23, 1907.

HON. JOHN F. FITZGERALD, *Mayor*.

DEAR SIR, — As I was leaving my office for my summer home in Manchester yesterday afternoon, I received your communication of the 20th inst., notifying me of my appointment as a member of the Finance Commission.

I thank you for your letter and for the information which accompanied it. I accept the appointment, and as I expect to be in Boston every day this week except Saturday, will hold myself

in readiness to meet you and the members of the Commission for the purpose of organization at such time as may be agreeable to you and to them.

Respectfully yours,

SAMUEL CARR.

BOSTON, July 22, 1907.

HON. JOHN F. FITZGERALD,

Mayor of Boston, City Hall, Boston, Mass.

DEAR SIR, — I have received your esteemed favor of the 20th inst., with enclosures, notifying me of my appointment as a member of the Finance Commission.

I am prepared to attend a meeting of the Commission any day this week, but prefer not to have the meeting on Friday or Saturday afternoon.

Yours very truly,

JOHN F. MOORS.

BOSTON, July 23, 1907.

HON. JOHN F. FITZGERALD,

Office of the Mayor, Boston, Mass.

DEAR SIR, — I am in receipt of your favor of July 20th, notifying me of my appointment to the Finance Commission, which appointment I accept.

I shall hold myself subject to notice from you as to the meeting of the Commission. I have no preference as to date, except that Saturday and Monday would be the least convenient.

Respectfully yours,

GEORGE A. O. ERNST.

HON. JOHN F. FITZGERALD,

Mayor of Boston, City Hall, Boston.

MY DEAR MR. MAYOR, — I am ready to call upon you any day this week, except Wednesday, for the purpose of organizing the Finance Commission.

Yours respectfully,

JOHN A. SULLIVAN.

BOSTON, MASS., July 24, 1907.

HON. JOHN F. FITZGERALD,

City Hall, Boston, Mass.

DEAR SIR, — Yours of the 20th inst., informing me that you have appointed me a member of the Finance Commission, received, and beg to say that I will willingly serve on same, and desire to convey to you my sincere thanks for the honor you have conferred on me by your approval of my selection by the Boston

Central Labor Union. In regard to day for a meeting, any day convenient to your Honor and the other members of the Commission will be agreeable to me.

In conclusion I desire to thank you on behalf of the Boston Central Labor Union for being instrumental in having our organization represented on this Commission, thus giving the laboring men, for the first time in the history of Boston, an opportunity to take part in the deliberations of a body on matters that just as vitally concern, and perhaps more so, our organization than any other in our great city.

Respectfully yours,

JOHN F. KENNEDY.

Mr. Matthews accepted the appointment orally.

NOTIFICATION BY MAYOR TO CITY COUNCIL OF APPOINTMENT OF MEMBERS OF COMMISSION.

CITY OF BOSTON, OFFICE OF THE MAYOR.

July 20, 1907.

To the City Council:

In accordance with the provisions of an order of the City Council and amendments thereto, providing for the investigation of the City's finances by a Commission, I have to-day appointed the following-named persons to serve as members of the said Commission :

Samuel Carr (403 Commonwealth ave.), nominated by the Boston Chamber of Commerce.

George U. Crocker (378 Marlboro st.), nominated by the Clearing House Committee of the Associated Banks of Boston.

George A. O. Ernst (48 Robeson st.), nominated by the Citizens' or Local Improvement Associations.

John F. Kennedy (48 Claymore st.), nominated by the Boston Central Labor Union.

Hon. Nathan Matthews (456 Beacon st.), nominated by the Real Estate Exchange and Auction Board.

John F. Moors (171 Beacon st.), nominated by the Boston Merchants' Association, and

Hon. John A. Sullivan (77 Mountfort st.), nominated by the Boston Associated Board of Trade.

Respectfully,

JOHN F. FITZGERALD, *Mayor.*

ORGANIZATION OF COMMISSION FOR BUSINESS AND APPOINTMENT OF COUNSEL AND SECRETARY.

Pursuant to the foregoing authority and appointments the Finance Commission held its first meeting on Tuesday, July 30, 1907, 11 A.M., at 96 Ames Building, Boston.

Present: Nathan Matthews, Samuel Carr, George U. Crocker, George A. O. Ernst, John F. Kennedy, John F. Moors, John A. Sullivan.

It was

Voted, That Mr. Matthews be made Chairman of the Commission.

Voted, That Mr. Moors be made Secretary *pro tem*.

Voted, That the Secretary *pro tem*. be authorized to offer J. W. Farley the position of permanent Secretary at a salary of not more than \$250 a month.

[Mr. Farley accepted the position.]

Voted, That the Chairman and Mr. Sullivan be authorized to engage M. J. Sughrue as counsel at a salary of not more than \$5,000 a year.

[Mr. Sughrue accepted the position.]

Immediately thereafter the Commission engaged offices in the Tremont Building, 72 Tremont street, Boston, Mass., and forthwith proceeded with its duties and business.

Thereafter, on September 12, at a meeting of the Commission, it was

Voted, That J. W. Farley be appointed Assistant Counsel.

Thereafter Mr. Carr resigned from the Commission and Mr. Randall G. Morris was appointed in his place, as appears from the following letters:

96 AMES BUILDING, BOSTON, October 23, 1907.

HON. JOHN F. FITZGERALD,

Mayor of Boston, City Hall, Boston, Mass.

SIR, — I regret that it is impossible for me to give the amount of time necessary to do my share of the work of the Finance Commission. The time required so much exceeds my expectation when I accepted the appointment that I find it beyond my power to continue a member in justice to other and paramount claims upon me.

With the highest regard for my associates in the Commission and deep interest in their future achievement, I very reluctantly tender my resignation.

Respectfully yours,

SAMUEL CARR.

October 28, 1907.

HON. NATHAN MATTHEWS,

Chairman, Boston Finance Commission, Boston, Mass.

DEAR SIR, — I regret that it is impossible for me to give the amount of time necessary to do my share of the work of the Finance Commission. The time required so much exceeds my expectation when I accepted the appointment, that I find it beyond my power to continue a member in justice to other and paramount claims upon me.

With the highest regard for my associates in the Commission and deep interest in their future achievement, I very reluctantly tender my resignation.

Yours truly,

SAMUEL CARR.

SAMUEL CARR, Esq.,

October 29, 1907.

96 Ames Building, Boston.

DEAR SIR, — I have just received your letter, under date of October 28d, tendering your resignation as a member of the Finance Commission. I regret very much that the Commission is to lose the benefit of your business experience and judgment, and I am sorry to learn that its work has required so much of your time that you are unable to continue to serve upon it. I had hoped that the demands which the work made upon the members of the Commission would not prove so great as to preclude the services of business and professional men who have other exacting demands upon their time, for these are just the men who are best fitted to render valuable service to the City. I wish that it were possible for the Commission to so adjust its work that you could continue to serve as one of its members; but as I presume that this subject was considered before you tendered your resignation, I am reluctantly obliged to accept it.

With appreciation of the service which you have already rendered upon this body, whose work is of so much importance to the citizens and to the business interests of Boston, I am,

Yours respectfully,

JOHN F. FITZGERALD, *Mayor.*

October 30, 1907.

JOHN F. CROCKER, Esq.,

President, Boston Chamber of Commerce.

DEAR SIR, — I am in receipt of the resignation of Samuel Carr, Esq., as a member of the Finance Commission, and I have notified Mr. Carr that the resignation has been accepted by me. Mr. Carr was appointed as a member of the Commission to represent the Boston Chamber of Commerce, and under the order of the City Council establishing the said Commission it devolves upon your body to make another nomination of a representative to serve on the Commission.

Will you, therefore, bring this matter to the attention of the Chamber at your earliest convenience, and oblige,

Yours very truly,

JOHN F. FITZGERALD, *Mayor.*

BOSTON CHAMBER OF COMMERCE, BOSTON, MASS.,

October 31, 1907.

HON. JOHN F. FITZGERALD,

Mayor, City of Boston.

DEAR SIR, — In view of the resignation of Mr. Samuel Carr from the Finance Commission, we understand that the duty of nominating a successor to him devolves upon this body, and I presume you are desirous that this action may be taken as promptly as possible. I have the honor, therefore, in behalf of the Board of Directors of the Boston Chamber of Commerce, to present to you the name of Mr. Randall G. Morris, a well-known citizen of Boston, as our candidate to succeed Mr. Carr as a member of the Commission.

Trusting that this nomination may meet with your approval, I remain,

Sincerely yours,

DANIEL D. MORSS, *Secretary.*

November 19, 1907.

DANIEL D. MORSS, Esq.,

Secretary, Boston Chamber of Commerce, Boston, Mass.

DEAR SIR, — You are hereby notified that I have to-day appointed Mr. Randall G. Morris (97 Bellevue street, West Roxbury) to be a member of the Boston Finance Commission, to represent the Chamber of Commerce, as the successor of Mr. Samuel Carr, who has resigned and whose resignation has been accepted by me.

Respectfully yours,

JOHN F. FITZGERALD, *Mayor.*

November 19, 1907.

RANDALL G. MORRIS, Esq.,

97 Bellevue street, West Roxbury, Mass.

DEAR SIR,— On July 20, 1907, Mr. Samuel Carr was appointed a member of the Boston Finance Commission as the representative of the Boston Chamber of Commerce; on October 23d, Mr. Carr resigned from service on the said Commission, and his resignation was accepted by me.

I have been notified by the Secretary of the Chamber of Commerce, acting in behalf of the Board of Directors of the said Chamber, that you had been nominated by that body as their representative, to serve upon the Commission to take the place of Mr. Carr.

In accordance with the provisions of the order of the City Council, I hereby appoint you a member of the Boston Finance Commission.

Respectfully yours,

JOHN F. FITZGERALD, *Mayor*.

November 19, 1907.

To the City Council :

You are hereby notified that, in accordance with the provisions of an order of the City Council, and amendments thereto, providing for the investigation of the City's finances by a Commission, I have to-day appointed Mr. Randall G. Morris (97 Bellevue street, West Roxbury) to serve upon the said Commission as the representative of the Boston Chamber of Commerce, to take the place of Samuel Carr, who has resigned and whose resignation has been accepted by me.

Respectfully,

JOHN F. FITZGERALD, *Mayor*.

November 20, 1907.

HON. JOHN F. FITZGERALD,

Mayor of the City of Boston.

DEAR SIR,— I am in receipt of your communication of the 19th inst., informing me that you have appointed me a member of the Boston Finance Commission, upon recommendation of the Boston Chamber of Commerce.

I hereby accept the appointment, and will assume the duties of the position at once.

Very truly yours,

RANDALL G. MORRIS.

OFFICIAL COMMUNICATIONS

COMMUNICATION TO MAYOR AND ALDERMEN IN
RELATION TO DEPARTMENT OF WEIGHTS AND
MEASURES.

Boston, August 7, 1907.

To the Mayor and Aldermen of the City of Boston :

GENTLEMEN,—In the brief time since we began our study into city affairs, we have become satisfied that the financial situation is such that no increase in the working force of any department should be made, except upon absolute necessity. We are now making a careful inquiry into the Department of Weights and Measures and expect to give a public hearing very soon.

There are now pending before the Board of Aldermen eight appointments to the new offices of deputy sealers at a salary of \$1600 each, involving an aggregate of \$12,800. per annum in salaries alone, which ought to be saved to the city if possible.

We respectfully ask that these nominations may be withdrawn by the Mayor or action thereon by the Board of Aldermen postponed, until we have an opportunity to complete our inquiry and report whether or not this extra cost may be avoided.

Respectfully yours,

FINANCE COMMISSION,

NATHAN MATTHEWS.

Chairman.

COMMUNICATION TO MAYOR AND CITY COUNCIL
IN RELATION TO PROPOSED LOAN FOR WATER
DEPARTMENT.

Boston, August 15, 1907.

To the Mayor and City Council :

GENTLEMEN,—As an order for a loan outside the debt limit of \$300,000 to provide for the extension of water mains has been specially assigned to the meeting of the Board of Aldermen called for August 26th next, and as, under St. 1903, Ch. 191, any loan for this purpose to be available during the current fiscal year must be acted upon by the City Council before September 1st, we think this an opportune time to make the following suggestions, which are the result of a preliminary investigation into the Water Department.

For some years past the revenue from the sale of water has apparently not been sufficient to meet the current expenses of the Department, to pay the interest on the City water debt, and to defray the City's share of the State assessment for the Metropolitan Water Works. There has, therefore, been no surplus revenue available for the new water mains which it is necessary to lay from year to year, and the expenditures for this purpose have been met by loan.

For the current fiscal year, 1907-1908, however, the situation appears to be quite different. The estimated income of the Department from the sales of water and other sources, as figured out for the annual estimates, was \$2,616,200. There was also carried over from the accounts for 1906-1907 to the credit of this Department the sum of \$54,739.39, making the total amount available for the purposes of the Department during the current year, without recourse to taxation or to loans, \$2,670,939.39. The City Council has appropriated \$600,000 for the expenses of the Water Department during the present year, and \$179,000 for the requirements of the City Water Debt. The requirements of the State on account of the Metropolitan Water Works amount to \$1,726,588.68. There will thus be a surplus revenue of \$165,350.71 from the operations of the Water Department for the current fiscal year. Put in tabulated form the figures are as follows :

1907-1908.

Estimated revenue from sales of water and other sources.....		\$2,616,200 00
Balance carried over from 1906-1907.....		54,739 39
		<hr/>
Total monies available without recourse to loans or taxes.....		\$2,670,939 39
Appropriated for department expenses.....	\$600,000 00	
Appropriated to meet the requirement of the City Water Debt.....	179,000 00	
Requirements of the Metropolitan Water Works.....	1,786,588 80	
		<hr/>
		\$2,506,688 68
		<hr/>
		\$165,350 71

Careful inquiries at the Water Department and in the office of the City Engineer, have satisfied us that the total amount of money which can be reasonably and economically expended during the remainder of the fiscal year by the Department for all purposes, including the extension of mains, is \$382,000. Deducting the balance now on hand of \$147,000 (as stated to us by the Department), leaves the amount to be provided for the requirements of the current year at \$235,000 or \$70,000 in excess of the \$165,000, estimated surplus income.

We suggest, both for the sake of preventing an unnecessary increase in the City Debt, and as a matter of justice to the water takers, that a specific appropriation of this surplus income be made by the City Council for the extension of mains, and that the pending loan order for the same purpose be reduced to \$70,000 or \$75,000.

We desire to direct your attention to this matter in the confident belief that in the present circumstances you will perceive no necessity for raising over \$75,000 at the present time by loan for laying water mains. Indeed in view of the provisions of the Act of 1903 referred to above, it is at least doubtful whether a loan in excess of this amount would be legal. The community is now burdened with an annual charge of nearly \$7,500,000 for the interest and sinking fund requirements of the City, County, and Metropolitan Debt, and no increase in these charges should be permitted without a clear necessity. If the policy herein recommended is pursued, there is, in our opinion a strong possibility that with the expected increase in revenue future loans for the extension of mains may be avoided altogether.

Respectfully yours,

FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR IN RELATION TO
THE MECHANIC ARTS HIGH SCHOOL.

Boston, August 26, 1907.

*To His Honor the Mayor of the City of Boston,
City Hall, Boston, Mass.*

SIR,—In reply to your request that the Finance Commission advise you as to the wisdom of approving the contract for the addition to the Mechanic Arts High School, the Commission begs to say that the propriety of extending this school involves the whole question of public education in this City, including methods, aims, developments, and costs. This whole subject, the consideration of which will require much time, will receive the attention of the Commission at a later period. At present the Commission is devoting its time to investigations of some twelve Departments, together with the appropriations and loans connected therewith, including such important Departments as Streets, Sewers and Water, which expend five millions yearly.

Under these circumstances the Commission feels that it cannot formulate an opinion upon the point suggested in time to meet any exigency that may now exist respecting the contract above referred to.

Yours very truly,

NATHAN MATTHEWS,
Chairman.

[The above letter was in response to an oral communication from the Mayor, requesting the advice of the Finance Commission in relation to the approval of the contract for the addition to the Mechanic Arts High School.]

COMMUNICATION TO ALDERMAN BANGS RESPECT-
ING THE PROPOSED LOAN FOR WATER MAINS.

MR. F. R. BANGS,
18 Tremont street,
Boston, Mass.

August 26, 1907.

DEAR SIR,—Your letter of August 20th, has been presented to the Commission.

In regard to the position of the Finance Commission towards the general policy of paying for the extension of mains from borrowed money, the Commission instructs me to say that it has not expressed any opinion.

The question whether the loans which have been issued in the recent past for the extension of mains have been necessary, or whether any loans for this are necessary at the present time, involves an inquiry into the financial administration of our municipal water works, which the Commission is now conducting, but which is not finished. This inquiry must cover not only the question of whether the appropriations for current purposes are wisely and economically expended, but also the question as to the amount, if any, that should be paid by the various City departments for the water used by them, the question as to what credit, if any, should be given to the Water Department in consideration of the fact that it derives no benefit from a certain portion of the money paid by the State for the City's water sources, aqueducts, etc., and other matters, the investigation of which will necessarily occupy some time.

The Finance Commission, in its communication of August 15th to the Mayor and City Council, without drawing conclusions as to questions of general policy in advance of this investigation, wished merely to point out that on the figures submitted to it by the Water Department it was, in any case, not necessary to borrow more than seventy-five thousand dollars (\$75,000) for the extension of mains.

Yours very truly,

J. W. FARLEY,
Secretary.

[The above letter was in response to the following.]

August 20, 1907.

TO THE BOSTON FINANCE COMMISSION,
Tremont Building, Boston, Mass.

GENTLEMEN,—On the twelfth page of the *Transcript* of Mon-

day, August 19th, there is an article headed "VINDICATED, SAYS MAYOR," in which the following statement is made :

"The mayor believes that the Finance Commission has vindicated the position of the present administration is saying that money should be borrowed for the purpose of extending and repairing the mains. The only difference of opinion that he finds is the question as to how large a sum should be borrowed. Under the law the order providing for the borrowing of the money must be passed prior to Sept. 1."

I have read your letter to the Mayor that appears in the *Transcript* of Friday, August 16th. It seems to me possible that certain statements in that letter would bear the construction which the Mayor is said to give them in the paragraph above quoted. I am, however, inclined to think that that was not your intention.

I anticipated that at the next meeting of the Board of Aldermen an argument will be made to the effect that the Finance Commission recommends the borrowing of \$70,000 or \$75,000 for the renewal and extension of water mains. If it is not the intention of the Finance Commission to make such a recommendation, I wish you would write me a letter to that effect, so that I can use it in rebuttal of such an argument.

Yours truly,

F. R. BANGS.

COMMUNICATION TO THE MAYOR IN RELATION TO
PROPOSED PURCHASES OF LAND PROVIDED FOR
BY LOAN.

August 27, 1907.

*To His Honor the Mayor of Boston,
City Hall, Boston, Mass.*

SIR,—In the loan bill approved July 26, 1907, for \$1,564,500, over one-fourth in number and one-third in amount of the thirty-five items were for the purchase of land. In no case were the premises described or the prices fixed. From an inspection of the records of the Committee on Finance of the City Council and from Conferences with the heads of the departments for which these appropriations were voted, the Finance Commission is satisfied that in every instance the purchase of a particular lot has been intended, while in four of the nine items such purchase was not recommended and is not now approved by the head of the department. In a majority of cases the departments are preparing, unless otherwise instructed by your honor, to acquire the land in question by private treaty at prices far in excess of their apparent market value.

The Commission has reason to believe that the cash or market value of vacant land in this City does not as a rule exceed the assessors' valuation, yet in the case of the items in question one department in considering the payment of fifty cents per foot for land assessed at twenty-two cents; another \$1.25 for land assessed at thirty-five cents; and a third ten cents for land assessed at a cent and a half per foot.

In the case of the Park Department, the practice has been, and the Commission assumes still is, to make all its takings of land by eminent domain; but in the cases above noted the departments either have no such power, or, if they have, do not appear inclined to exercise it, and seem to consider that since the passage of the loan bill they are bound to purchase the land on the best terms obtainable by private contract.

The law which authorizes the taking of land for school purposes, found in St. 1901, Ch. 473, Sec. 3, forbids the Schoolhouse Commission to acquire land by private purchase if the price is "more than 25% higher than its average assessed valuation dur-

ing the previous three years." The Finance Commission believes that a similar rule should be prescribed for the other departments of the City Government.

In the present instance no serious damage will result if the departments find themselves unable to secure new property by private negotiation within the proposed limits of price, for, in the opinion of this Commission, no exigency exists requiring the acquisition of the land in question during the present year. The General Court of 1908 can be asked to supply the legislation necessary. Meanwhile the Commission suggests that you, by executive order, prohibit the departments from acquiring real estate by private treaty at prices more than 25% in excess of the Assessor's valuations; and it believes that such a safeguard of the City's interests is immediately necessary before the negotiations now pending have gone too far.

The Commission is now investigating other items of this loan bill and will submit at an early date its views upon the bill in its entirety.

Yours very truly,

NATHAN MATTHEWS,
Chairman.

COMMUNICATION TO THE MAYOR IN RELATION TO
THE PROPOSED PURCHASE OF LAND FOR EVER-
GREEN AND MOUNT HOPE CEMETERIES.

September 12, 1907.

HONORABLE JOHN F. FITZGERALD,
Mayor of Boston,
City Hall, Boston, Mass.

SIR,—In the loan bill of July 26, 1907, appear two appropriations of \$40,000 each, one for the purchase of land adjoining Evergreen Cemetery, in Brighton, the other of land adjoining Mt. Hope Cemetery, in West Roxbury.

The Finance Commission is informed that the negotiations for the purchase of the land adjoining Evergreen Cemetery have been concluded, subject to your Honor's approval and a public hearing by the Board of Aldermen.

The Commission protests against the purchase of any land for the enlargement of Evergreen Cemetery. This cemetery became the property of Boston at the annexation of Brighton and is not part of any comprehensive plan of cemetery administration. The adjoining land, whose purchase is now contemplated is a strip stretching from Commonwealth avenue to Park land separating it from Chestnut Hill Reservoir. It is assessed for 22 cents a foot; the owners' original asking price was 75 cents; this was later reduced to 65 cents; and negotiations for its purchase at 50 cents have reached the stage described above. It is manifest extravagance to acquire for cemetery purposes costly land adjoining so fashionable a boulevard as Commonwealth avenue.

The Commission appends a copy of a letter from the Metropolitan Water and Sewerage Board bearing on this subject.

While the present cemetery should be maintained in good faith, the Commission is convinced that it should not be enlarged. Its uses are almost if not wholly local; other sections of the City possess no similar cemeteries; development will be expensive for at least quarter of the land must be used for paths and ornamental purposes; interest charges and loss of valuable taxable property will add to the cost. Mt. Hope Cemetery amply meets the need of the City under the requirements of law.

As to the land at Mt. Hope Cemetery, the Commission believes that its purchase would be wise if it can be obtained at a reasonable price. This land is assessed for 4 cents a foot; the owners' original price of 15 cents has been reduced to 12 cents. The Commission is informed that the Cemetery Trustees deem this price exorbitant, in which opinion the Commission concurs. At the standard recommended by the Commission, viz. : *not over 25 cents* in excess of the average assessed value for three years, a fair price would be not over 5 cents a foot. If the land cannot be had for that price the Commission recommends delay until authority can be obtained from the Legislature for taking it by eminent domain.

Yours very truly,

NATHAN MATTHEWS,
Chairman.

Enclosure.

[The following letter was appended to the above communication.]

September 7, 1907.

MR. J. W. FARLEY,

*Secretary Boston Finance Commission,
435-6-7 Tremont Building, Boston, Mass.*

DEAR SIR,—Your letter requesting this Board to inform the Finance Commission whether or not, in its opinion, any extension of the Evergreen Cemetery is desirable in view of its proximity to the Chestnut Hill Reservoir, has been received.

The Board is of the opinion that the location of a cemetery near a reservoir for the storage of water which is to be used for drinking purposes, is not desirable, and believes that it is undesirable that the area devoted to burials at this cemetery should be enlarged.

Very truly yours,

W. N. DAVENPORT,
Secretary.

REPORT TO THE MAYOR AND CITY COUNCIL ON THE DEPARTMENT OF WEIGHTS AND MEASURES.

September 21, 1907.

To the Honorable Mayor and City Council of Boston :

GENTLEMEN,—The Finance Commission submits herewith a report on the Department of Weights and Measures, with special reference to the proposed increase in the number of deputy sealers.

The Commission has considered the laws and ordinances relating to the department, has examined its books and records, has heard the sealer, his deputies and other persons, including a former head of the department, and has personally investigated its work. ✓

The Department of Weights and Measures is a department which the City is bound by statute to maintain, and it has charge of one of the most important branches of municipal work ; for through its efforts all citizens, particularly the poor, ought to be safeguarded from imposition, and fraud in the purchase of such necessities as coal, provisions and ice. ✓

The duties of the Department, under chapters 57 and 62 of the Revised Laws, are, stated briefly, to test and seal each year all the weights, measures, and balances used in the sale of commodities, to seize the measures which do not conform to the legal standard, and to prosecute vendors of merchandise in whose possession illegal measures used, or intended for use, are found. Section 30 of chapter 62 specifically directs the sealer and his deputies to prosecute such vendors. Statute 1906, Chapter 216, and Statute 1907, Chapter 324, make it a crime to use or to give false weights or measures. Section 90 of Chapter 57 directs the sealer to keep a separate book recording the baskets of coal sealed by him, and all weighings of coal. The Revised Ordinances of the City provide in Chapter 45 that the sealer shall have direction of the deputy sealers and shall keep regular books showing the work done by the Department. ✓

The City Charter (St. 1854, Ch. 449, Sec. 46,) makes it the duty of the Mayor to be vigilant and active at all times, in causing the laws for the government of the City to be enforced, to ✓

inspect the conduct of all his subordinates, and to cause all negligence, carelessness and positive violations of duty to be duly prosecuted and punished. The charter amendments of 1885, (Ch. 266, Sec. 8,) direct the Mayor to secure the earnest, efficient and economical conduct of the entire executive and administrative business of the City.

✓ The Department as at present organized consists of a sealer with a salary of \$3,000, of ten deputy sealers with salaries of \$1,600 each, and of two laborers. The sealer and the deputy sealers are appointed annually by the Mayor, subject to confirmation by the Board of Aldermen. The deputy sealers are divided for administrative purposes into two classes; four are assigned to duty at the office of the Department in the old Court House, and are called "inside" deputies, while the remaining six do work away from the office and are called "outside" deputies. One of the inside deputies acts as bookkeeper and clerk.

✓ The Commission's investigation has disclosed almost inefficiency in the Department, as at present and for some time past conducted.

✓ The book required by the City Ordinances to record all the work performed by the deputies has not been kept as the law demands, for the inspection work is not recorded at all, and no attempt is made to record correctly the daily work of individual deputies, or the number of days in which work of any kind is accomplished. Thus in the year ending July 31, 1906, only 685 days' work is recorded to the credit of the six outside deputies, an average of only 114½ days in the year for each. This indicates idleness, or improper bookkeeping, or both. In December, 1905, the records show only one day's work apiece credited to the six outside deputies, and for December, 1906, only 2½ days apiece. For the other days of these months the deputies have not satisfactorily accounted, except in the case of one deputy, who testified that when he found that he was not needed he put up his horse and went home. The original records of work accomplished by the inside deputies in the sealing of milk jars, bottles, etc., are destroyed as soon as they are posted in the book, and the book itself does not give the individual records, but only the aggregate, thereby leaving no record which indicates who are active, and who are not. The record of the total number of such measures tested and sealed is contradicted by evidence received from five of the largest dealers in Boston, who state that they sent in 1906 to the Department 327,320 such measures, while the Department records state that during the same period there

were tested and sealed for the same dealers 558,575 measures, or 231,255 more than the figures furnished by the dealers. Revised Laws, Chapter 57, Section 90, requires the sealer to keep a book devoted solely to the purpose of recording all weighings of coal, coke and charcoal by his deputies; but no such book has been kept. As only weekly reports are required from the outside deputies, the check upon neglect of duty which daily reports would furnish is absent.

According to the testimony of the sealer, no work is done by the deputies on Saturdays, except to hand in cards of their week's work and to draw their pay, the sealer explaining that "Saturday is only a half day any way."

Though many visits to the office have been made by various members of this Commission, practically no work has at any time been found in progress there, and to determine the nature of the duties performed by the inside force, a special exhibition had at last to be requested of one of the deputies.

One of the labors of the Department emphasized many times by the sealer and his deputies, and which requires the services of two or more deputies for a number of days each month, is the testing of coal scales for one of our large public service corporations. As these coal scales are not used for the purpose of selling coal or for public weighing, there appears to be no justification in law for this use of the Department.

Effective checks seem wanting throughout; for the sealer appears to have only a slight acquaintance with the laws which relate to weights and measures, and which prescribe the duties of himself and his deputies, has no knowledge of the time required to test large scales, no knowledge as to whether the entire number of weights and measures which the law requires to be tested and sealed annually are tested and sealed in fact, and no knowledge as to whether the amount of fees which should be collected are collected, or whether the amount collected is accounted for. It is to be noted, also, that although his outside deputies do not perform their regular work on stormy days because their kits may get wet, he has never tried to devise a means for their protection.

The evidence taken by the Commission shows that no adequate inspection is made to ascertain whether cheats are practised on the public, that inspections of fruit and provision peddlers and coal, ice and junk dealers are not made with sufficient frequency to insure protection, that a large number of weight and measures

are not sealed as the law requires, and that the established policy of the Department under its present administration is not to prosecute any offenders for violation of the laws.

These conclusions are confirmed by a report made to the Mayor under date of Sept. 19, 1907, by the State Commissioner of Weights and Measures, in which the Commissioner states that a large proportion of the scales in use have been found upon examination to be unsealed, that in but few instances have weights been found to be sealed, that in a majority of instances dry measures, liquid measures and yard sticks have not been sealed, that in some stores spaces measured by countertacks have been found in use, that in many cases ice scales have not been carried on the carts, and that out of a large number of inspections of milk bottles found upon the teams of various dealers in different sections of the City 90% had not been sealed. The State Commissioner concludes that there appears to be little protection afforded the public against the use of false weights and measures. The Commissioner has also informed the Finance Commission that he has repeatedly called the attention of the Boston Sealer to the necessity for prosecutions, but without results.

The most serious remissness of the Department lies in the failure to prosecute offenders. In the face of the statute referred to above making it the duty of the sealer and his deputies to prosecute violators of the law, the present sealer has, since he took office in 1902, brought only one offender into court. During the past five years prosecutions have entirely ceased, and incriminating evidence, when discovered, is no longer preserved for use in court. The records of the Department have always been poorly kept, and it does not follow that no more prosecutions have been brought than the records prior to 1902 indicate. They do show that between 1889 and 1898 the Department collected evidence, prosecuted offenders, and secured numerous convictions. The present sealer, on the contrary, maintains that he cannot bring himself to consider "exactly as criminals" persons guilty of defrauding the public by the use of false weights and measures, and adds that he has a "pretty stern way" with him, and that he thinks his system of lecturing the guilty preferable to prosecutions.

The Commission finds itself unable to regard the man who defrauds his fellow-citizens by the use of false weights and measures as anything but the meanest kind of swindler. Cheating by false measures was a criminal offense at the common law,

and has for many years been the subject of legislative prohibition in this Commonwealth. The sealer and some of his deputies effect to believe that this crime is not of frequent occurrence in this City; but other deputies state that there is a vast amount of cheating by dishonest weights and measures, and this is also the opinion of the State Commissioner.

That no amount of sealing, testing and inspection, not followed by prosecutions, can suppress or seriously check the perpetration of this crime is the opinion of a former head of the Department, of the State Commissioner, and of this Commission. ✓

Lack of time, or an insufficient number of deputies cannot successfully be assigned as a reason for this omission to prosecute the users of short weights and measures; for the Commission is satisfied that deputies could have devoted much time to this work if the sealer had not deliberately abandoned the attempt to enforce the law.

The Commission is of the opinion that the Department of Weights and Measures, as conducted during the past five years, has entirely failed to protect the public from the impositions freely practised by unscrupulous vendors of coal, ice, provisions and other necessities of life; and that the Department should be reorganized from top to bottom. It should be placed in charge of a man of executive ability, who knows the law and will enforce it. The methods of the Department should be radically changed; daily reports should be made of the work done by each deputy; proper records should be kept of this work; a card index should be kept by streets and numbers of the dealers using weights and measures; all complaints should be recorded in a separate book, with a complete history of each case; and there should be a vigorous enforcement of the law, particularly in regard to inspections and prosecutions.

The Commission also recommends the revocation of the licenses of peddlers or itinerant vendors who use false weights and measures, but who have no fixed place of business and therefore cannot readily be found for prosecution.

The Commission believes, in short, that the system should be entirely reformed, and that there should be an immediate and complete reorganization of the Department under a new head, assisted by such of the present deputies as may succeed in passing a proper examination under the Civil Service rules.

As to the ordinance recently passed, providing for an increase in the number of deputy sealers from ten to eighteen, the Com-

mission believes that to act upon this ordinance by confirming the appointments recently made would only aggravate the evils of the present system. It would be, in the opinion of the Commission, an act of folly and a waste of public money to increase the force, or to add to the appropriations of this Department as now conducted.

In the first place, it is impossible for any one to say that the number of deputies should be increased to enable the Department to perform its statutory duties until an honest and earnest effort has been made by the Department to do its work with the present force.

The Commission is not impressed with the suggestion that the State Legislation of 1907, or the Federal Enactment known as the "Pure Food Law" necessitate an increase in the number of deputy sealers. It is not clear that any of these laws will actually increase the work of the Department. What appears to be needed is the prosecution of offenders against laws which have long been on the statute books; and it is not a deficiency in the number of deputies, but a lack of purpose on the part of the sealer himself which has prevented the doing of this work. While some of the deputies protest that all their time is occupied with their present duties, others have frankly admitted to the Commission that they have more or less spare time which they could devote to the prosecution of offenders against the law if they were requested to do so by the sealer.

Finally, the Commission believes that no increase in the force should be considered until the present method of appointments is changed. So long as the deputy sealers hold their office by virtue of annual appointments by the Mayor, subject to confirmation by the Board of Aldermen, their positions must necessarily be regarded as secured by political methods, and held upon a political tenure.

The following testimony by the sealer illustrates the present situation:

Q. Don't you think it would help you some if you had some voice in the choice of your deputies, if you could select them?

A. Oh, I tell you I think it would be a mighty good plan if the corps were within the enfolding arms of the civil service. I think so for this reason—

Q. Would you like to pick out your deputies, the men who are to work under you, as head of the Department? Wouldn't that be a desirable thing?

A. You know very well I couldn't.

Q. Why not?

A. Why, I wouldn't be permitted to.

The sealer told the Commission that he had not recommended that the number of his deputies should be increased by eight, that he was not acquainted with the men who were appointed, and when asked if he knew whether they were competent or not replied that he did not know whether they were black or yellow. Further light is shed upon the political aspect of these positions by the testimony of one of the deputies, who told the Commission that he would be afraid to prosecute peddlers when caught with short measure, because of their political influence with the Board of Aldermen. In justice to the sealer these conditions should be borne in mind.

Some evidence as to the lack of necessity for the proposed increase in the number of deputy sealers may also be extracted from the experience of New York City, where a similar department, with only 18 sealers for a population nearly seven times as great as that of Boston, filed in the year 1906, 2,750 requests for prosecution and secured the collection of some \$16,000 in penalties.

The State Commissioner of Weights and Measures informs the Commission that, in his opinion, there should be no increase in the present force of the Boston Department until the same has been completely reorganized in the manner suggested above, placed under the Civil Service rules, and at least one entire year has elapsed during which an intelligent and vigorous effort to enforce the law has been made; for not until that time will the head of the Department or anybody else be in a position to say exactly how many men are required for a thorough enforcement of the law.

The Commission assumes that the ordinance in question was passed, and the appointments made without a full knowledge of the facts as disclosed to the Commission by its investigation, and now reported to the Mayor and Aldermen; and for the reasons stated the Commission recommends the withdrawal of the nominations of the eight additional deputies whose confirmation is now pending in the Board of Aldermen, and the repeal of the ordinance authorizing these appointments. The Commission believes that to add eight deputies to the present force under existing conditions would only result in a duplication of inefficiency and expense; and that when the Department is reorgan-

ized in the manner suggested, and under the direction of a competent sealer and new deputies drawn from the Civil Service lists, in place of some of the present deputies, a force of ten will be sufficient to test and seal all the weights and measures, and to do a large amount of inspection and prosecution; and that, if prosecutions are made frequently and pressed vigorously, a moderate amount of inspection will suffice to protect the public from imposition. It agrees with the State Commissioner that not until the Department thus reorganized has been in operation for a considerable length of time, at least one year, can it be determined, whether the number of deputies shall be increased or decreased.

The Commission had intended to give a public hearing on this Department, but it now sees no occasion for such a hearing.

A copy of the testimony given by the sealer is transmitted herewith.

Respectfully submitted,
FINANCE COMMISSION,
by
NATHAN MATTHEWS,
Chairman.

COMMUNICATION TO THE MAYOR RELATING TO
THE MECHANIC ARTS HIGH SCHOOL.

BOSTON, October 4, 1907.

HONORABLE JOHN F. FITZGERALD,
Mayor of Boston,
City Hall, Boston, Mass.

Sir,—The Finance Commission has considered your letter of September 28th, relating to the proposed enlargement of the Mechanics Arts High School, and believes that it should accede to the request therein contained.

It has, accordingly, invited Charles W. Eliot, President of Harvard University, Rev. Fr. Gasson, S. J., President of Boston College, and Henry S. Prichett, late President of the Massachusetts Institute of Technology, to advise the Commission, and through it your Honor, in the premises; and these gentlemen have consented to do so.

Will you kindly submit to the Commission such suggestions as may occur to you respecting the detailed questions which the Commission should ask these gentlemen to consider.

Respectfully submitted,

FINANCE COMMISSION,
by
NATHAN MATTHEWS,
Chairman.

[The above communication was in response to the following letter from the Mayor.]

CITY OF BOSTON,
OFFICE OF THE MAYOR, September 28, 1907.

HON. NATHAN MATTHEWS,
Chairman Finance Commission.

DEAR SIR,—Since the receipt of your communication of August 20th, in which the Finance Commission stated that it could not formulate an opinion upon the wisdom of approving the contract for the addition to the Mechanic Arts High School, I have been considering the question very seriously and have concluded to address you once more upon the same proposition.

The proposed changes and addition to the Mechanic Arts High School involve the expenditure of about \$500,000, one-half of the entire amount which the City is permitted this year to spend on schoolhouse construction. It involves the largest expenditure which will be made for any single purpose during the current year and is consequently of great importance.

When this matter was up before the School Committee, the Schoolhouse Commissioners and myself for consideration, I expressed the opinion that it was very questionable as to how far we should go in the matter of the Mechanic Arts High School; that the results which were being obtained were not of the most satisfactory nature, and that in view of similar projects, under both public and private auspices it was a serious problem as to whether the City should go any farther in the matter of providing accommodations for pupils seeking special trade or industrial education. I stated, however, that if the Schoolhouse Commissioners and School Committee were unanimously of the opinion that it should be done that I did not care to stand in the position of blocking what they deemed to be good policy. In order that there might be no misunderstanding, however, before calling the matter to the attention of a sub-committee of your Commission which waited upon me relative to other matters, I spoke to the Chairman of the School Board about the question and was assured that there was no objection on his part to my bringing the matter to the attention of your body.

I realize that the work which you are doing is one of great magnitude, involving a great sacrifice of time and a great amount of labor on the part of every member of the Commission. I am, nevertheless, of the opinion that this is a question which could properly be referred by your body to a body of citizens for special information along these lines, with the request that they advise your body concerning the policy of going ahead on this work. I believe that if it is represented to educators and others having special qualifications for service on such a commission of inquiry, that the Arioeh Wentworth Fund will soon be available and the construction of the Arioeh Wentworth Institute begun, and that the Franklin Union, a trade school, is already in process of construction, they would readily see that the City was confronted with a serious problem in trying to decide whether or not, in view of all these facts, it was essential or good financial policy for the City of Boston to make further appropriation of half a million dollars for the purposes of the Mechanic Arts High School. It is evident, of course, that the construction and operation of the Arioeh Wentworth Institute and the Franklin Union will relieve to a very great extent any demand which may now be made upon the City for special education along trade and industrial lines.

Another very serious aspect of the question is found in the fact that there are at least two thousand children in the City of Boston in the primary and grammar grades of the schools, who are being educated in temporary structures known as portable schoolhouses. I think it will be readily acknowledged by all the citizens that the first duty of the City is to furnish elementary training in the primary and grammar school grades to the children of the City, in permanent structures with the

best environments; and it is a debatable question whether or not the work on the high schools and schools for special training should not be deferred until the needs of the elementary schools are cared for.

I cannot bring myself to feel, even in the light of the declination of your body to go into this matter, that it would be proper for me to sign orders and contracts calling for the expenditure of this large amount of money for a school whose work will be duplicated by two institutions, the operation of which will begin within a comparatively short time. I believe that were the Finance Commission to decide that it was judicious for it to ask the advice of men qualified to pass on a question of this character that their position would be sustained by the sentiment of the community and by the results.

Trusting that you may be able to give this matter favorable attention, I am

Very truly yours,

JOHN F. FITZGERALD,
Mayor.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL RELATING TO THE ASSIGNMENT OF WAGES.

October 4, 1907.

To the Honorable Mayor and City Council,

GENTLEMEN,—The attention of the Finance Commission has been attracted by the large number of City Officers and employees who are in the habit of assigning their wages and salaries.

On August 29, 1907, the date on which the Commission made its inquiry, there were outstanding recorded assignments, by 272 City employees, including 27 on the monthly pay-roll. This practice is forbidden by implication in the City ordinances which provide (ch. 3, sec. 12) that every head of a department shall

“prevent the assignment of wages by persons employed in his department.”

Mayor Collins made an active effort to suppress this practice, issuing on March 25, 1902 the following circular :

“To the Heads of Departments :—

Attention is called to a general neglect of Revised Ordinances, Chapter 3, Section 12, which requires heads of departments to prevent assignments of wages. These assignments are objectionable for many reasons among which are :

(1.) The City is obliged to pay considerable amounts for costs in suits against it on such assignments, and the amounts are likely to increase in the future unless the custom is stopped. Such payments are not within the ordinary scope of City business and there is no specific appropriation to meet them.

(2.) These assignments increase the labor of the City Clerk, the Law, and the Treasury Departments, complicating accounts and taking much valuable time in endeavoring to ascertain and settle the rights of rival claimants.

(3.) The borrowers are usually charged ruinous rates of interest, generally become involved financially to such an extent as to interfere with their capacity for good work, and improvident and extravagant habits are formed by making employees think that they can easily borrow money and somehow pay it back.

(4.) Many of the money-lenders, I am informed, exact signatures to blank papers, which they fill in with assignments of

wages for two, three, and four years in some cases. Dealers sell their goods on credit taking power of attorney for payment or part payment, under which assignments are executed carrying exorbitant rates of interest.

There are other abuses, but these are sufficient to put a stop to the practice even if it were not in violation of law.

I am informed that the Police Department has arrested the practice by a notice that an assignment of wages by an employee will be considered sufficient reason for discharge. If there be no other way to obey the law, I suggest that any new assignment of wages be regarded as a sufficient cause for dismissal, and any serious delay in disposing of existing assignments be visited with the same penalty.

Respectfully,

PATRICK A. COLLINS,
Mayor."

The Commission recommends the issue of a similar circular by the present administration, and its strict enforcement.

The spirit of the ordinance referred to would also seem to apply to the members of the City Council itself, the body responsible for the existence of this ordinance; yet the Commission finds that on August 29th, last, there were outstanding fifteen recorded assignments of salaries by members of the Common Council, and one by a member of the Board of Aldermen. This practice on the part of so large a proportion of the body charged with the responsibility of appropriating millions of dollars of the public money yearly must necessarily lead to criticism.

Respectfully submitted,

FINANCE COMMISSION,

by

NATHAN MATTHEWS,
Chairman.

COMMUNICATION TO THE BOARD OF ALDERMEN
RELATING TO A NEW MUNICIPAL BUILDING.

October 17, 1907.

Honorable Board of Aldermen of the City of Boston,
City Hall.

GENTLEMEN,—In reply to the request of the Board of Aldermen contained in the order adopted on September 30, 1907, that the Finance Commission consider the advisability of erecting a special municipal building for the Sanitary Street Cleaning, Paving and other departments and of discontinuing the practice of renting outside office quarters, the Finance Commission begs to say that it will take this question under consideration and has referred the same for a preliminary report to the Engineers who are now engaged in investigating the departments in question.

Very sincerely yours,

NATHAN MATTHEWS,
Chairman.

[The above communication was in response to the following order of the Board of Aldermen.]

IN BOARD OF ALDERMEN, September 30, 1907.

Ordered,—That the Finance Commission, be requested through His Honor the Mayor, to consider the advisability of erecting a municipal building on land owned by the City on Albany street, and building to be used by the sanitary, street cleaning, paving, watering and lamp departments, and also to make recommendations as to the continuance or discontinuance of renting outside quarters.

Passed. Sent down for concurrence.

October 10, came up concurred.

A true copy.

Attest: JOHN T. PRIEST,
Asst. City Clerk.

Referred to the Finance Commission.

COMMUNICATION TO THE MAYOR RELATING TO
STATEMENTS MADE BY HON. HENRY CABOT
LODGE.

October 17, 1907.

HONORABLE JOHN F. FITZGERALD,
Mayor of Boston,
City Hall, Boston Mass.

Sir,—In your letter to the Finance Commission, dated October 7, 1907, you asked the Commission to request Honorable Henry Cabot Lodge, U. S. Senator from Massachusetts, to produce any information which he may have in his possession which tends "to justify the grave language" used by him in his speech to the Massachusetts Republican Convention on October 5, 1907

The Commission has examined the speech, and your Honor's reply thereto, and also the later statement of Senator Lodge in explanation of his convention speech. The first part of Senator Lodge's speech is evidently based upon the testimony adduced before the Finance Commission in its public hearings, and therefore, calls for no further investigation by this Commission. The second part of the speech does not purport to be based upon personal knowledge, but, on the contrary, it is stated explicitly to be based upon "stories," merely; the language is as follows:

"But, apart from these proved and public facts, the air is heavy with stories of the corruption at City Hall—of offices sold, of percentages taken, of pay rolls loaded, of loans made to support men in idleness, of widespread frauds at the ballot box, which should all be rigidly investigated and brought to the light of day."

The later published statement of Senator Lodge above referred to emphasizes the fact that the second part of the speech was not made upon personal knowledge, but solely upon reports.

The Commission believes it would be unwise to summon Senator Lodge to state again what he has already made clear on two occasions. It also believes that it would establish a bad precedent which would commit it to the policy of investigating all rumors made by persons of more or less prominence in public life in the heat of political campaigns. The Commission

has from the beginning sedulously avoided the investigation of mere rumors and has confined itself to statements of fact, believing that any other course would defeat the purpose which the Commission was created to accomplish.

Yours very truly,

NATHAN MATTHEWS,

Chairman.

LETTER TO THE DISTRICT ATTORNEY IN RELATION TO TESTIMONY TAKEN AT HEARINGS.

October 17, 1907.

HONORABLE JOHN B. MORAN,
Court House,
Boston, Mass.

DEAR SIR,—The Counsel for Mr. Klous and for Mr. Hilles, both of whom are under indictment at the present time, in connection with the alleged coal frauds, have requested the Commission to furnish them with a transcript of the testimony of Mr. Farley and Mr. McCarthy given at the public hearings of the Commission, respecting certain admissions or statements made by Messrs. Klous and Hilles. The Commission requests me to inquire whether you see any objection to complying with these requests and to say that if you have no objection, the Commission will furnish the transcripts in question.

Very sincerely yours,

NATHAN MATTHEWS,
Chairman.

LETTER TO CHAIRMAN OF SCHOOL COMMITTEE IN
RELATION TO METHOD OF PAYMENT OF EM-
PLOYEES OF SCHOOL DEPARTMENT.

October 18, 1907.

MR. JAMES J. STORROW,
Chairman, Boston School Committee,
Boston, Mass.

DEAR SIR,—Your communication of October 7th, has been received and will, with the consent of the Mayor, as set forth in your closing paragraph be considered by the Finance Commission.

Other complaints relating to the payment by the City of its current bills have been brought to the attention of the Commission, and the Commission is making a general investigation in this matter. When this is completed it expects to submit a report on the whole system of City payments and on the question of whether these can be simplified and modernized with profit alike to the City and its employees and creditors.

Very truly yours,

J. W. FARLEY,
Secretary.

. [The above letter was in response to the following letter.]

October 7, 1907.

NATHAN MATTHEWS, Esq.,
Chairman, Finance Commission,
1134 Tremont Building, Boston, Mass.

DEAR SIR,—The School Committee desires to submit for consideration by the Finance Commission, the question as to what plan should be adopted for paying teachers and employees of the School Department promptly, and at the same time fulfilling the requirements necessary for proper municipal accounting.

Under the system formerly in vogue, pay-rolls for the school teachers and the employees of the School Department were certified by the masters in the various districts about the middle of the month (that is to say, when only half the services covered

by the certification were rendered and when absence during the balance of the month might render the certification false). It seems necessary to obtain this certification from the various masters because they are in immediate charge of their schools and are the ones to know whether or not the services are rendered. These pay-rolls then have been sent by the School Department to the City auditor's office, where they are audited before the services are completed, and from that office are sent in turn to the office of the City treasurer, who begins payment in cash by means of the City paymasters about the twenty-fifth of the month (still before the services are fully rendered), and completes payments on or about the second or third of the ensuing month.

Mr. William J. Smith, Business Agent of the School Department, who is an experienced accountant, has advised the School Committee that this system is not a proper accounting method for making these payments, because the masters are obliged, on the fifteenth of the month, to certify to services not then rendered and only to be rendered during the ensuing fifteen days. These pay-rolls have also been approved by the City Auditor's Department before the services were completely rendered, and it is also true that the City treasurer has begun paying for these services before they were completed.

On the other hand, if the pay-rolls are certified by the masters on the last day of the month, after the services to which they certify have been fully rendered, then under the system of auditing and payment now in practice in the office of the City auditor and the City treasurer, we are informed that the first payments cannot be made by the City paymasters until the tenth of the month; so all the salaries would not be paid until the seventeenth or eighteenth of the month. This substantial delay in the payment of salaries is a serious hardship to the teachers and to others employed by the School Department, and is especially severe in view of what seem to be the inadequate salaries now paid our school teachers, particularly in view of the salaries paid to employees in other departments of the City who are neither obliged to furnish a high school certificate nor to submit to two years of professional training after graduating from the high school, nor to submit to one, two or three years of substitute or practice teaching before receiving their first regular appointment, and whose work does not seem at least to exact any higher standard of intellectual effort or character compared with the require-

ments which are enforced for the sake of our schools in the case of teachers.

The members of the School Committee are not expert accountants, and hesitate to disregard the advice of their expert accountant so far as establishing proper protection to the City is concerned, but they are extremely anxious that there should be the least possible delay in the payment of services rendered the School Department.

We would call your attention to the fact that we have consulted the Superintendent of Schools of the City of New York, and find that cheques for all school salaries due for the preceding month are placed in the mail in New York on the first or second day of the month, so that all teachers and employees of the New York School Department are in receipt of their salaries on the second or third day of the month. We also understand that the City of Chicago pays promptly by means of a system of cheques, and that the State of Massachusetts pays all employees by cheque on the first of the month, unless they notify the treasurer that they prefer to come to the State treasurer's office to receive cash. It seems to us as though such a system as the State treasurer employs could be devised, and that it would meet the accounting objections raised by Mr. Smith, and that it would also meet the desire of the teachers and other employees for prompt payment with which we are entirely in sympathy; because, those who are willing to receive cheques could all be paid by the second or third of the month, and furthermore, the large number of teachers serving in our schools as substitutes, who are now obliged—in order to get the proper certification—to wait until the second month after their services are rendered, would have their payments advanced from thirty to forty days and be paid at the same time as the regular teachers.

The Chairman of the School Committee has conferred with the Mayor and received his consent to lay this matter before the Finance Commission.

Yours very truly,

JAMES J. STORROW,
Chairman, Boston School Committee.

COMMUNICATION TO MAYOR AND CITY COUNCIL
RELATING TO STATE DOCKS.

October 18, 1907.

The Honorable Mayor and City Council of the City of Boston :

SIRS,—The order of the Board of Aldermen of October 14th, 1907, which was referred to the Finance Commission, has been duly received and will be submitted to the next meeting of the Commission.

Yours respectfully,

J. W. FARLEY,
Secretary.

The above communication was in response to the following order of the Board of Aldermen.

CITY OF BOSTON,

IN BOARD OF ALDERMEN, October 14, 1907.

ORDERED: That the Finance Commission, through His Honor the Mayor, be requested by this Board to consider the advisability of recommending to the incoming Legislature such action as may be necessary for the establishment of a system of State Docks in the Charlestown, East Boston and South Boston Districts.

Passed.

A true copy.

Attest: JOHN T. PRIEST,
Assistant City Clerk.

Referred to the Finance Commission — no recommendation.

REPORT TO THE MAYOR AND CITY COUNCIL ON
THE AUDITING, COLLECTING AND TREASURY
DEPARTMENTS.

October 24, 1907.

To the Honorable the Mayor and City Council:

The Finance Commission has examined the Treasury, Auditing, and Collecting Departments, and herewith submits its report upon the last named department:—

At the date, 1822, of the first City charter, the functions of these three Departments were performed by a single Department, that of the Treasury. In 1824, the Auditing Department was established, but the treasurer continued to have charge of the collections. In 1875, the Collecting Department was established; and since that date each class of work has been in the charge of a separate Department.

While the Commission is not ready to report upon the Auditing and Treasury Departments, it is, nevertheless, in a position to state that it finds little to criticise in the conduct of these Departments; and it believes that the reason for the greater efficiency of these Departments, as compared with that of the Collector, is due to the fact that the latter has for some years past been used for the payment of political debts to the great detriment of the service.

The employees of the Auditing Department are under the Civil Service law, and for many years the practice has been to make no change in the head of the Department, even when municipal elections have resulted in a change of political control. There have been but five City Auditors since the office was established in 1824. Between 1824 and 1904, a period of eighty years, there were but four. Two changes came through resignation, one through death, and one through transfer to the head of the Treasury Department. The present auditor was promoted from the position of chief clerk after a service in the Department of thirty years. The result of this non-political, and practically continuous management, is shown in the marked efficiency of the work done by this Department.

The employees of The Treasury Department are not under the Civil Service Law, but the Department has been largely kept

from political influence. Since 1822 there have been nine City Treasurers. Three died in office, three declined further service, and one was not continued in office for reasons other than political. During this entire period there has been but one change for political purposes.

The employees of the collecting Department have never been under the Civil Service Law, but from 1875, when the Department was created, to 1896, there were but two Collectors, and the single vacancy in 1883, caused by resignation, was filled by the promotion of a man who had been brought up in the office and and was familiar from personal experience with the duties of every subdivision of the work. In 1896 the position of Collector was made a political office, to be filled by each new administration with one of its supporters. Since that time there has been a new Collector with each change of administration, or four different collectors in ten years.

This change of policy and increased use of the Department for the payment of political debts or the procurement of political support is, in the opinion of the Commission, largely, if not entirely, responsible for the increased cost and diminished efficiency of the Collecting Department as at present conducted.

The efficiency of the Department may best be tested by a consideration of the relative percentage of taxes on property and polls collected now and formerly within the fiscal year.

The present collector has succeeded in raising the percentage of collections of poll taxes from 26.3% in 1905-6, to 48.5% in 1906-7; and it is his expectation to collect about 50% of the taxes annually assessed on polls, which is substantially the percentage attained prior to 1892, when the payment of a poll tax was a prerequisite to voting. This is better than the showing made in the immediate past, somewhat better than the average results obtained prior to 1896, but very little better than the figure (47.3%) which represent the best year (1894-5) in that period.

The percentage of property taxes collected during the fiscal year 1906-7, was only $\frac{8}{100}$ of 1% more than in 1905-6, and $\frac{14}{100}$ of 1% more than the average of the last ten years. In the years 1894-5, 1895-6, and 1896-7, representing three different political administrations, the average percentage of property tax collections was nearly 2% greater than in 1906-7. In the same three years the average percentage of uncollected taxes was 11.77% as against 13.10% in 1906-7; while for the five years prior to

1896, the average was only 10.41% as against 13.10% in 1906-7. This means that in 1906-7, over \$2,500,000 of the taxes on property had not been collected at the end of the year, while between 1891 and 1896, the uncollected taxes on property at the close of the year amounted on the average to only about \$1,250,000.

Measured by the standard of comparison the efficiency of the Department at the present time is, on the whole, less than during the three years between 1894 and 1897.

On the other hand, the expenses of the Department have increased enormously, particularly under the administration of the present Collector.

In the three years above mentioned, as representing three different political administrations, the Department cost \$91,062, \$92,693, and \$93,000, respectively or \$92,251 on the average; while between 1905 and 1907 the Department expenses were about \$135,000 per annum, and the appropriation for the current year, 1907-8, is \$160,000. This is \$67,750 or 73% more than the average annual expenditure between 1894 and 1897.

Part of this increase is accounted for by an increase in business and part by an increased use of the mails in the collection of taxes; but by far the greater part is due to an extraordinary and, in the opinion of the Commission, entirely unjustifiable increase in the number of employees. The average number of persons employed in the Department in 1894, 1895 and 1896 was about 50, while at the present time there are 84 permanent employees; an increase of about 70%. The present Collector has made 23 appointments since taking office on the first of May, 1906. The annual pay roll which in 1895 amounted to \$73,900 is now about \$122,500, an increase of 65%. While some of these employees have had training which would assist them in the discharge of their duties, many of the appointments have been made with such slight regard for fitness as to lead irresistibly to the conclusion that they were made for political purposes with the acquiescence and not on the initiative of the Collector.

This extraordinary increase in employees, pay roll, and total expenditures cannot, as already shown, be accounted for on any theory of increased efficiency in the Department. Nor can this apparent waste of money be justified by the increase in the work of the Department. The Commission has made a careful investigation into this feature of the case, and has reached the conclusion that there has been since 1895 an increase in the work of the

Department of not exceeding 25%. This conclusion is based, not on the amounts collected, or on the population of the City, or on other irrelevant data, but on the actual work of the department, that is on the number of bills put in process of collection.

An increase of 25% in work, unaccompanied by any marked increase in efficiency, cannot justify an increase of 70% in the number of employees, of 65% in the annual pay roll, and of 73% in the total cost of the Department. It points strongly to the necessity for a reduction in the expenditures of the Department to a figure fairly proportionate, taking the difference in the volume of business into account, to the cost of the Department between 1894 and 1897. If the annual appropriations for the Department were fixed at a sum 25% in excess of the average expenditures in 1894, 1895, and 1896, the Department ought to be as efficient as it in fact is at the present time. This would warrant an appropriation of a little over \$115,000.

For these and the other reasons set forth in this report, the Commission is of the opinion that the annual appropriation for the Collecting Department and the annual expenditures of the same should not exceed the sum of \$120,000.

The collector points to the apparent saving made by him in what is known as "extra clerk hire." For many years it has been the custom of the Department to pay its employees in addition to their salaries substantial sums for extra work. The present collector claims to have put a stop to this practice; but instead of saving the money to the City, he has simply changed the form of expenditure, and has used the money to pay the salaries of new and unnecessary permanent employees. Not only has he not in fact reduced expenses by cutting off the payments for "extra clerk hire," but he has sought and obtained an increased appropriation for the current year over 1906-7, of \$25,000. The department was already costing far more than it ought to, and the additional expenditure of \$25,000 per annum, solicited and obtained by the present collector, is absolutely without justification. The work of this Department is of such a character that at some seasons of the year, particularly during the month of November, there is much more to be done than at other seasons. The businesslike way to meet this situation is to employ extra help when needed, either by making use of the permanent force and paying them for extra time, or by employing outside temporary help. The policy of the present collector is to make such an increase in the permanent force of the

Department that there will be less occasion for the employment of extra outside help in the month of November, but with the result that throughout the greater part of the year there will not be sufficient work to keep the force steadily and profitably employed. This is essentially a political and not a business method of administration; and has already resulted in an increase in the cost of the Department amounting to \$25,000 in a single year.

A further illustration of the influence of politics in this Department, may be seen in the fact that although an effort is made to collect the poll tax due from City employees by deducting them from their salaries or wages, no such methods are apparently resorted to in the case of members of the City Council. On September 14, 1907, 34 members of the City Council had neglected to pay their poll taxes for 1906.

Other facts denoting a waste of labor and expenditure in this Department are the following:—

A comparison of the work accomplished by the deputy collectors in 1906–7, as against 1904–5, shows that in the earlier year 25 deputy collectors collected on the average 145 poll tax bills each, while in the later year 30 deputy collectors averaged 137 poll tax bills each. The total taxes collected in the field by the deputies in the former year were \$72,128.24 as against \$72,668.25 in the latter year, an increase of only \$540.01. Of these totals, poll taxes collected in the field amounted in the former year to \$7,355.60 and in the latter year to \$8,490.20. It is thus apparent that the increase in the poll tax collections is not due to the efforts of the deputy collectors in the field but rather to circularizing and advertising.

Much of the time, the Commission thinks about one-half, of the deputy collectors is spent in the office in the performance of work which could be as well performed at less expense by other methods. The Commission understands that on the average 35 men, deputies and clerks, enjoying salaries ranging up to \$1,800 per annum or more, are employed in preparing and mailing circulars and letters, and in the performance of inferior clerical work. No attempt has been made to introduce less expensive and more modern methods of performing work of this class.

The result of the present organization and wasteful methods of this Department is that it costs the City of Boston 58 cents for every bill collected. The Commission has taken pains to ascertain the cost for billing, mailing, and collecting the bills sent

out by two of the large public service companies doing business in this community, and finds that in the case of one of them, which sends out nearly as many bills per annum as the City of Boston does, the cost for billing, mailing, and collecting is about 20 cents per bill; while in the case of the other company, which sends out a much larger number of bills than is collected by the City of Boston, the cost for billing, mailing, and collecting is about 6 cents per bill.

Not only is the cost to the City of Boston as measured by these comparisons excessive, but it is greater now than formerly, for in the year 1895 the cost to the City of Boston was only about 28 cents per bill. The present cost is more than double.

The Commission notes, in the next place, that there is not a proper distribution of labor, or any adequate supervision of the same.

No definite work is assigned to the deputies beyond the general ward assignments and they make no daily reports. Sometimes they do not report for a whole week, and in the meantime they hold the cash collected by them. In some instances cash has been held for over a year. Men customarily absent themselves for hours without asking permission or giving explanation. The office is open under the present ordinances for the receipt of taxes only from 9 A.M. to 2 P. M. and after the latter hour there is a general slackening of discipline and relaxation of attention to business. The number of general clerks is excessive. The expense accounts are not so classified as to give the totals of each kind of expense.

The practice of waiving the payment of interest and costs on the tax bills of delinquents should be brought to an abrupt end. The Commission is informed that for a number of years past interest and costs have been waived for purely political and personal reasons, and without justification in law or in fact. In one case, in November, 1906, a member of the Common Council brought in five 1905 tax bills, aggregating \$1,886.86, upon which a year's interest of over \$100 was waived. The collector stated that he did not know the reason for this waiver, and he had no excuse to offer, except that he had followed the practice of former years. In another instance a 1905 tax bill for \$179.20 was paid on April 25, 1907, interest and costs being waived. A citizen who learned the fact protested, and the collector thereupon obtained the opinion of the Corporation counsel in which it was stated that a City official "who departs from the orders or directions given

for the conduct of his office must be prepared to justify to the City Council or the Mayor, if inquiry is made, and give a sufficient reason why he did not follow his instructions." Revised Laws, Chapter 12, Section 72, provides that "interest shall be added to and be part of" the taxes, and in the case of *Needham vs. Norton*, 146 Mass., 476, 480, the Supreme Judicial Court said "It would not be doubted, in case of a collector paid by a fixed salary, that the City would be entitled to insist upon the collection of the sums of interest due from individual taxpayers, and the payment of them to the treasurer."

RECOMMENDATIONS.

The Commission makes the following recommendations:—

1. That definite work be assigned to the deputy collectors in the field; and that they be required to make daily reports and also to turn in daily to the office the money received by them. The results of their work should be tabulated in order that the active should be placed in line for promotion and the inactive dropped from the service. No absenteeism should be tolerated except for reasons stated to the collector and approved by him.

2. The method of bookkeeping should be changed and all sums due as interest and costs entered so that upon the day of payment of any bill the amount of the tax, and the interest and costs due on that day shall appear, as also the amount collected, the amount abated and the reason for the abatement. These figures should also appear on the collector's daily returns to the treasurer and auditor, and should be checked and proven by the auditor.

3. The office should be open for the collection of taxes from 9 A.M. to 3 P.M.

4. Expense accounts should be so classified as to show each kind of expense, and the number, amount, and class of bills assessed and collected. This would give needed information as to the cost of administration, and afford a basis for judging the efficiency of individual work.

5. "Outlook" envelopes should be used for all mail except printed circulars, thereby saving the time occupied in placing addresses upon the envelopes now in use.

6. The number of deputy collectors should be reduced by fifteen, and their work in the office performed by clerks. The remaining fifteen deputies would have double the territory to

cover but would have ample time to do it. The number of general clerks could be reduced to ten, who, with the fifteen clerks employed to replace the fifteen deputy collectors, could easily handle the office work except for comparatively short periods, during which extra mén could be temporarily employed on a per diem basis.

In reducing the number of deputies and clerks the older employees should be preferred, other things being equal.

7. All the employees of the Department should be placed under the civil service laws, as the reason for the exemption no longer exists; the bond formerly required to be given by the collector as a guaranty for his subordinates being now furnished through a surety company at the City's expense.

8. The collector should be appointed to hold office for an indeterminate period subject only to removal by the Mayor. This would be in substance an extension of the law now applicable to the tenure of teachers and school officials. Prior to 1889 school teachers were elected annually and practically they rarely failed of re-election; but the theoretical uncertainty was found to be so hurtful that the law of 1886 (Ch. 313) authorizing the change was availed of, and since 1889 all teachers have, after a period of probation, been elected to a practically permanent tenure, subject only to removal by the School Committee. In 1906 (Chap. 318) the legislature also provided that the secretary, auditor, and business agent of the School Committee should be elected to hold office until removal.

9. The salary of the collector should be reduced from \$7,500 to the former salary of \$5,000, as neither the quantity of work nor the character or responsibility of it require any larger compensation.

* * * * *

The Commission finds that the methods employed in the Collecting Department are antiquated, unbusinesslike and wasteful; that taking advantage of the fact that the employees of the Department are exempt from the civil service rules, recent administrations, particularly the present one, have for political purposes increased the number of employees far beyond the needs of the service; and that by this means the expenditures of the Department have increased in the past ten years three times as much as the increase in work.

If the reforms herein recommended are made, the expenditures of the Department can be reduced to \$120,000, a saving of

\$40,000 per annum as compared with the present scale of expenditure. This sum of \$40,000 could be more profitably devoted to necessary work in our schools and upon the streets.

The Commission believes that these reforms can and should be carried out without difficulty and at once, particularly the reduction in the unnecessarily large force now employed by the Department.

In advising this reduction, and the other economies suggested, the aggregate effect of which would be a saving of at least \$40,000 a year in the total expenses of the Department, the Commission has not lost sight of the fact that the City is not a purely commercial corporation, and it has not sought to erect an impracticable standard of economy. A large commercial company would undoubtedly do the work of the Collecting Department for less than \$100,000 per annum. A political corporation, such as the City of Boston, cannot reasonably be expected to manage all its affairs with the same economy as a well managed private company. But if the City of Boston could under three successive and different political administrations, ten to twelve years ago, manage the Collecting Department for about \$92,000 per annum, it ought to find no difficulty at the present time in doing 25% more work in this Department at an expense 30% greater.

* * * * *

The Commission has been assisted in its investigation by expert accountants whose report is on file at this office, where it may be consulted.

Appended hereto will be found certain tables:—

Appendix A shows the percentage of the taxes on real and personal property collected by the Department during the fiscal year since the same was made to terminate on January 31st. Appendix B shows the percentage of poll taxes collected during each fiscal year since the abolition of the poll tax as a prerequisite for voting. Appendix C shows the expenditures of the Department for each year since 1884-5. Appendix D shows the changes in the number of employees effected year by year since 1884.

This report is devoted to a consideration of the practical reforms immediately necessary in the management of the Collecting Department. The advisability of other changes in the methods of administration, such as the consolidation of the Treasury, Auditing, and Collecting Departments, the establishment of an office or board charged with the duties of a comp-

troller, the insufficiency of the present auditing system, the desirability of introducing the system of voucher checks, the so-called uniform system of municipal accounting, and the general question of salaries is being considered by the Commission, and will be reported on when the Commission finds itself able to do so.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

LETTER TO COMMISSIONER OF PENAL INSTITUTIONS IN RELATION TO VISITS TO INSTITUTION.

October 24, 1907.

MR. JOHN B. MARTIN, *Commissioner,*
Penal Institutions, Deer Island.

DEAR SIR,—Your letter of October 17th was considered by the Commission at its meeting yesterday, and I am instructed to state in reply that the Commission does not see its way to accede to your request.

The inquiries made by the employees of this Commission into the management of the different departments of the City Government are not being conducted in a spirit of idle curiosity, and care is taken not to impair in any manner the discipline of the departments.

It is, however, the duty of the Commission, under the order of the City Council authorizing its appointment, to make such inquiries as seem necessary into the conduct of the City affairs in such a manner as is most likely to secure the desired information. This end, in the opinion of the Commission, would not be served if advanced notice were given in every case to the heads of the departments of the specific objects to which the Commission is directing its attention, or of the purpose with which certain lines of investigation are being followed by its subordinates.

For these reasons the Commission is unable to comply with the request contained in your letter of the 17th. There is, however, not the slightest grounds for anticipating from any inquiries made by any of the subordinates of the Commission, any "demoralization of discipline" among the prisoners of Deer Island.

Yours very truly,

NATHAN MATTHEWS,
Chairman.

[The above communication was in response to the following letter.]

October 17, 1907.

HON. NATHAN MATTHEWS, *Chairman,*
Boston Finance Commission,
444 Tremont Building, Boston.

DEAR SIR,—I had a request over the telephone from Mr. Michael J. Sughrue and a Mr. Eddy, representing the wishes of

the Finance Commission, for a pass that he and Mr. Eddy might visit Deer Island and go about the Island at any time they wished, on business for your Commission.

When asked what their business was Mr. Sughrue refused to disclose it, and, while I am anxious and willing to help your Commission in every way in its proper investigation of our Department, I do not believe it right to allow any gentlemen to wander about a penal institution where we have confined more than 1,000 prisoners, in search of something which they are not willing to disclose to the head of the Department.

I am responsible, as the master of the institution, for the safe custody and discipline of the prisoners, as well as for the discipline of the officers at our institutions, and it strikes me that a visit of this kind cannot but bring about a demoralization of discipline, not only among the prisoners, but also among the officers.

As I stated above, I am willing and anxious to do everything in my power to aid your Commission in the way of investigation of our institutions, but I do think that the Department should be informed of the nature of the visit for the interest of the institutions and the City of Boston.

Respectfully yours,

(Signed) JOHN B. MARTIN,
Commissioner.

COMMUNICATION TO THE MAYOR RELATING TO
THE DEER ISLAND WALL CONTRACT.

October 26, 1907.

HONORABLE JOHN F. FITZGERALD,
Mayor of Boston,
City Hall, Boston, Mass.

SIR,—While conducting a general investigation into contracts exceeding \$2,000 in amount which have been awarded by the City without public advertising, the attention of the Commission has been attracted to a certain contract entered into under date of May 1, 1907, between the City of Boston, through the Commissioner of Public Institutions, and the Atlas Construction Company, so-called, for the erection of a concrete wall on Deer Island.

This contract is drawn on the "cost plus a fixed sum" plan with a clause limiting the maximum cost to \$51,500.

Under this contract the contractor agrees "to accept from the City as full payment for everything furnished and done . . . the actual cost of work as determined by the said Commissioner" based on a certain schedule of wages, materials, and rentals. It further provides that "the contractor is to pay all employees the wages expressed in the schedule."

Three payments have already been made under this contract in accordance with the City Engineer's estimates, and the unit prices in those estimates have in each case been those set forth in the contract schedule.

The Commission, however, has reason to believe, from an inspection of the contractor's books and other sources of evidence, that these prices are in some instances more than the sum actually paid by the contractor to his employees.

The Commission is not yet in the position to fix the responsibility for these payments, but deems it necessary in the interest of the City to call Your Honor's attention to the fact, and to suggest that no further payments be made to the contractor until he has furnished to the City a statement signed by him of all the payments hitherto made by him for labor, services and materials, giving in details dates, names, quantities and prices.

Respectfully submitted,

FINANCE COMMISSION,

by

NATHAN MATTHEWS,
Chairman.

REPORT OF EXPERTS RESPECTING THE MECHANIC
ARTS HIGH SCHOOL.

November 11, 1907.

HONORABLE JOHN F. FITZGERALD,
Mayor of Boston.

SIR,—The Finance Commission has received a report from the gentlemen whom it requested to report upon the advisability of enlarging the Mechanic Arts High School at the present time.

The Commission has considered the report and concurs in the conclusions and recommendations therein contained.

A copy of the report is submitted herewith.

Respectfully,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

November 7, 1907.

GENTLEMEN,—I beg to enclose, as Chairman of the Committee to advise the Finance Commission of the City of Boston in regard to making certain additions to the Mechanic Arts High School, the report of that Committee signed by the three members thereof.

Very truly yours,

CHARLES W. ELIOT.

To the Finance Commission of the City of Boston.

Enclosure.

To the Finance Commission of the City of Boston :

The Committee requested by you to report concerning the advisability of making certain additions to the Mechanic Arts High School, has the honor to report as follows:

We assume as admitted two fundamental principles with respect to the conduct of public education by a municipality.

1. That it is the plain duty of a municipality, such as Boston, to support, and to support generously, high school education as well as elementary education.

2. Under modern conditions, it seems equally clear that a municipality must support several kinds of high school education, adapted to the various needs and desires of its population. The City of Boston today supports Latin High Schools, English High Schools, the Mechanic Arts High School, and the Commercial High School. All these give a general education, but guide their pupils in different directions.

Assuming these fundamental propositions, we understand the question submitted to this committee to be the following:

The City of Boston has, for the current year, a million dollars to spend in land for the Phillips District and various buildings. Taking into account the needs of both the elementary and the high school education, is it wise to spend approximately \$500,000 out of this million in re-arranging the present Mechanic Arts schoolhouse and erecting a large addition to it?

The question resolves itself into two parts: First, are the objects of the Mechanic Arts High School desirable and likely to be accomplished, is there a pressing need for remodelling and extending its building, and is the proposed mode of so doing reasonable and satisfactory? Second, is the application of \$500,000 to these objects in the way proposed more desirable than the application of that sum to other educational requirements in the City of Boston; or, reversing this question, are the exigencies of the elementary schools so great that they should be met first?

In seeking to answer these questions, we have examined a large mass of statistical information furnished by the School Committee, the Schoolhouse Commission, and the Headmaster of the Mechanic Arts High School. This statistical information includes the cost of the present equipment, of the proposed changes in the old building, and of the new building, the number of students now enrolled and the number refused admission, the records of graduates so far as they could be obtained, the character of the work performed by such graduates as have attended the Institute of Technology, and various other matters pertaining to the conduct of the school, its cost, and the cost of the contemplated improvements. To answer completely the question suggested above would require a marshaling of these figures; but it seems to us that the decision of this Committee is one to be

determined not alone upon statistical data, but upon certain fundamental considerations concerning the character of the education provided by the Mechanic Arts High School and its value for the pupils who resort to it.

The work which this school aims to do is described by its Headmaster in the following words :

"The Mechanic Arts High School is an institution in which the elements of the mechanical arts are taught in connection with a thorough academic course, rich in mathematical and scientific subjects. Its fundamental object is to promote general culture, but the specific training which it gives is excellent preparation for many mechanical pursuits. It teaches the principles and processes which underlie many trades ; but it is in no sense a trade school. The time which is devoted to any branch of mechanical work is entirely inadequate to give the knowledge and skill required by a journeyman. Moreover, the educational value of a shop exercise is determined by the thought which the pupil must bestow upon it ; consequently no operation is repeated mainly for the purpose of increasing skill ; but a new problem is presented as soon as the difficulty of a given process is fairly mastered. The most important function of the school is to reveal to boys, through its many-sided activities, their dominant aptitudes, and help them to lay firm foundation for the work for which they are best fitted. It aims to discover how executive and creative ability can be most effectively stimulated, diversified and directed. This ability is one of the most important factors in our complex civilization. Some men show it by excellent work at the bench, others at the drawing-board, and others as foremen, overseers, superintendents, engineers, or organizers of industries. The school which opens the door of opportunity in a wide range of industrial activities is vocational in the largest and best sense of the term. In this age, characterized by a marvelous development of industries based upon scientific and mechanical principles, such a school meets a highly important and pressing need of the community."

This statement makes it evident that the Mechanic Arts High School is, first of all, a high school for the general training of its pupils. It is not a trade school, nor does it send out young men who are likely to become journeymen in the various trades. Its purpose is to give, as the headmaster has well said, a general education with such training in the mechanical arts as will suggest to its pupils industrial pursuits.

This purpose is an entirely different one from that of an industrial school or a trade school. For example, the new Franklin Union is to be a school in which the theoretical foundation of many trades is to be taught at night to such men, already in the

trades, as desire such instruction. It is understood that the Arioeh Wentworth School, soon to be established, is to be a trade school, pure and simple, in which a boy will receive that training which will enable him to become in the shortest possible time a plumber, a carpenter, a mason, or a journeyman in some other trade. The existence of these schools, which are for entirely different objects from those of the Mechanic Arts High School, has no bearing on the question submitted to us.

The school was established on the recommendation of experienced and judicious men after much deliberation. Started in 1893 before the building was finished, it has never yet—for various reasons—had a fair chance to show what it can do, although already once enlarged. Its site is central as regards transportation facilities. Additional land, however, should be acquired, when opportunities offer, in order to protect the light. The investment is a safe and permanent one; for, if, as a result of further experience, more hand-work should at some future day be given in the ordinary high schools, or less should be required in the Mechanic Arts High School, the whole plant of the Mechanic Arts High School would be available with slight modifications for what would then be an ordinary high school.

One of the good effects of the Mechanic Arts High School has been the promotion of hand-working in the ordinary high schools; for hand-work should enter into every school course, as an element in culture, and also because every urban householder needs—what the farmer more easily acquires—training in the use of common tools.

The variety of the school occupations makes a longer school-day than usual desirable and safe; and owing to the active use made of the extensive bench, forge, and machine equipment no gymnasium is necessary. More than one-half—fifty-four per cent.—of the pupils' time is given to ordinary high school studies—mathematics, history, languages, physics, and chemistry. About one-eighth of the time is given to drawing—none too much,—and about one-third to carpentry, carving, forging, and machinist's work.

Has the school fulfilled its purpose in its thirteen or fourteen years of life? Has it sent forth into the community boys having a general education and with a bent toward mechanical pursuits?

Complete data to answer these questions are not attainable. We have examined such records of graduates as the Headmaster has been able to collect. These records, containing a fair propor-

tion of several classes, are, we are informed, representative of the whole number. They show that the graduates of the school have gone mainly into pursuits suggested by the mechanical instruction which they have received. Some of them have entered high grade engineering schools, and become engineers. A larger number have filled the position of draftsman. Others have become foremen. In general, a strong tendency has been developed to engage in those occupations which look towards the producing side of business life. A reasonably large number have come into executive places by proving their administrative ability in mechanical positions. Speaking broadly, the records of the graduates show that the school is accomplishing its purpose.

A considerable number of graduates of the school enter the Institute of Technology, although this number constitutes but a small percentage of all the students who enter the school. The records made by these students at the Institute do not seem, on the whole, equal to those made by students from the best suburban high schools; but the officers of the Institute testify that recent classes entering the Institute from the Mechanic Arts School show great improvement over former years, and furnish a number of very satisfactory engineering students. It is also true that before the entrance requirements of the Institute of Technology were raised, a number of students were able to enter by examination who, in the judgment of their teachers, were not prepared to undertake the Institute's work. Part of the Boston public has naturally enough looked upon this school as the most suitable place to prepare for an engineering education; while as a matter of fact, it is generally desirable for a boy who intends to enter a school of technology to make his preparation along broader lines than those involved in the study of the Mechanic Arts. On the other hand the evidence which comes to us seems to show that very few of the youths who enter the Mechanic Arts High School, do so with the thought of going to a school of technology later. The choice of an engineering career is the result in most cases of the student's experience in the school, which inspires the ambition to enter an engineering profession. The great majority of boys who enter the school have no thought of going to college at all. The fact that more enter the school of technology than enter from the ordinary high school means simply that the studies of the school have led them in this direction, a result which might well have been anticipated.

It may be worth while to correct at this point an impression

which seems wide spread, namely, the impression that the school does not especially try to serve boys, who, though, possessing manual skill or mechanical ability, lack the mental aptitude for book-work in mathematics, languages, history, and the like. It is true that few pupils come to the Mechanic Arts High School who prove themselves both skilful in shop-work and deficient in book-work. Such pupils usually have difficulty in getting through the elementary schools; and during the past five years, when only a selection of candidates could be admitted, boys promising in both lines may have been preferred. In a case, however, where unusual mechanical ability has appeared, the pupil has been encouraged to take a larger share of the mechanical work; and although he has not been given a regular diploma, if unsatisfactory in his book-work, he has been encouraged to enter a mechanical pursuit in whatever direction his talents have seemed to lie.

On the question of the insufficiency of the present building there can be no difference of opinion. The accommodations are wholly inadequate to meet the strong and rising demand for the school from the whole City and from all races. For six years past it has been overcrowded, hundreds of applicants for admission have been turned away, and many others have been deterred from applying at all by the common belief that the school building is insufficient and overcrowded. Of the 777 pupils now attending the institution, only about three-fourths are seated satisfactorily as regards their comfort and health. The need of a larger building is extreme and pressing. This need was officially recognized by the School Committee as early as September, 1901, and has since been emphasized by the Committee in five separate votes. Nor is there any reason to believe that the resort to secondary schools is going to diminish. On the contrary, it is increasing all over the country, as well as in Boston; and there is no more favorable aspect of American education. In order that the experiment begun 13 years ago may teach its lesson, the school should be put in thoroughly good condition to do its peculiar work, and then maintained in that condition for at least ten years.

The new building which is recommended by the School Committee is of comparatively inexpensive construction. In combination with the old building rearranged it would provide as good facilities for the kind of instruction which the school supplies as can be given in the quarter of the City in which the school lies,

and would accommodate the probable demand for that kind of instruction during as many years as foresight should be expected to cover.

Such an extension is a necessary part of the proper administration of the high school system of Boston. The City is now maintaining central high schools of four sorts in addition to the district high schools (Brighton, Charlestown, Dorchester, etc.), namely, two Latin Schools (boys and girls), two English High Schools (boys and girls), Mechanic Arts for boys and Practical Arts for girls, and the High School of Commerce. In our opinion all these central schools should be continued and supported with careful liberality. This policy requires the immediate enlargement of the Mechanic Arts High School.

If these conclusions are correct we may go on, well prepared, to the second branch of inquiry: Are the needs of the elementary schools so urgent that they should be met before this enlargement is made?

This question seems to be completely answered by the information furnished by the Superintendent of Schools and by the School Committee. The excessive number of pupils assigned to each teacher in the elementary schools — the greatest evil in those schools — has already been somewhat reduced, and provision has been made for a further reduction. The minimum number was formerly 56; in 1906-07 it was 50; in 1907-08 it will be 48; in 1908-09, 46; and in 1909-10, 44. Again, elementary pupils in the Boston schools are today well housed. It is true that, some hundreds of pupils are in what are called temporary buildings; but this feature is a constant part of wise school administration for an increasing and shifting urban population. For example, a school is built to accommodate five hundred pupils. When five hundred and fifty are enrolled, a temporary portable building is set up in the schoolyard. This building is well ventilated, well lighted, and as well cared for as the rooms of the permanent building. When in a given district the growth has reached the point which justifies a new permanent building, it is built, and the "portables" are put in use elsewhere. The fact, therefore, that a limited number of pupils in the elementary schools are in such temporary buildings is a part of the regular administration of the schools, and means no real hardship for any pupil. The statements of the Superintendent of Schools show that today every elementary scholar in the City, who seeks full instruction for the full school period or instruction for any

part of the eight grades, receives it, and is housed in comfortable and sanitary quarters.

The Chairman of the Boston School Committee states :

" . . . The Mechanic Arts High School constitutes today, and has for several years, the sole spot in the entire school system where those desiring education have been refused an opportunity to secure it ; and this has occurred for six successive years in this school, and has not occurred in any one of these years at any other point in the school system . . . "

We therefore conclude :—

1. That the Mechanic Arts High School fills a useful purpose by opening to the youth of Boston new ways towards good livelihoods.
2. That its work has shown steady improvement, and that the head-master and his teachers are earnestly and intelligently seeking the further improvements which are to be expected in a comparatively new form of education.
3. That additional facilities must be furnished, if those boys who wish to avail themselves of this form of education are to have the opportunity to do so.
4. That the action of the School Committee and the School-house Commission concerning the proposed enlargement has been well considered, and seems eminently reasonable.
5. That this need is now more urgent than that of any other specific addition to the school system of Boston.
6. That it is, therefore, expedient for the City to proceed with the enlargement of the Mechanic Arts High School without delay.

CHARLES W. ELIOT.

THOMAS I. GASSON, S. J.

HENRY S. PRITCHETT.

COMMUNICATION TO THE MAYOR RELATING TO
THE CONDUCT OF A CITY EMPLOYEE AT ONE OF
THE PUBLIC HEARINGS OF THE COMMISSION.

Boston, November 8, 1907.

HONORABLE JOHN F. FITZGERALD,
Mayor of Boston,
City Hall, Boston, Mass.

SIR, — In your communication of January 7, 1907, to the City Council, recommending the appointment of a Finance Commission, you said "It would certainly be the height of folly for any mayor to recommend the establishment of such a body unless he were prepared at its request to use his full official authority in furtherance of its work, and the fullest co-operation on the part of the mayor and all other city officials must certainly be assumed."

At the close of a public hearing of the Commission held last night, an employee of the City of Boston, Fred J. Kneeland, stood upon a chair and took active part in a disorderly and hostile demonstration against the Commission.

The Commission calls this matter to Your Honor's attention for such action as you may deem wise.

THE FINANCE COMMISSION,
by
NATHAN MATTHEWS,
Chairman.

COMMUNICATION TO THE MAYOR IN RELATION TO
PAYMENTS ON THE DEER ISLAND BOUNDARY
WALL CONTRACT.

November 19, 1907.

HONORABLE JOHN F. FITZGERALD,
Mayor of Boston,
City Hall, Boston, Mass.

DEAR SIR,—The Finance Commission is informed that a payment is about to be made to the Atlas Construction Company on the Deer Island Boundary Wall contract. The commission suggests that before this payment is made the accounts on both sides be stated and liquidated so as to prevent future claims based upon labor, materials, or other items furnished prior to the date of the accounting.

Respectfully yours,

BOSTON FINANCE COMMISSION,

by
NATHAN MATTHEWS,
Chairman.

REPORT TO THE MAYOR AND CITY COUNCIL ON CERTAIN CONTRACT METHODS.

BOSTON, November 21, 1907.

To the Mayor and City Council :

GENTLEMAN,—The Finance Commission was directed by the City Council to examine into all matters pertaining to the finances of the City, including expenditures, and particularly to consider whether the present system of administration affords sufficient protection to the City treasury. As much of the money expended by the City is paid out upon contracts, oral or written, the Commission has given its attention to the methods of awarding and supervising the execution of contracts for supplies and work. The investigation is far from complete; but, so far as it has progressed, indicates the presence of great abuses.

The law (St. 1885, Ch. 266, Sec. 6 and St. 1890, Ch. 418, Sec. 6) requiring all contracts involving \$2,000 or more to be in writing and to be approved by the Mayor, is evaded by orders, either oral or written, for successive purchases or contracts, each for less than \$2,000, but aggregating in a single year many thousand dollars.

The law (St. 1890, Ch. 418, Sec. 4) requiring all work done or purchases made, the estimated cost of which amounts to \$2,000, to be awarded, unless the Mayor gives written authority to do otherwise, after a public competition secured by advertisement in the daily newspapers, is evaded by dividing the work of purchases into a number of contracts each less than \$2,000 in amount.

The right reserved by this law to the Mayor to dispense with the necessity for public advertisement, is a right which ought only to be exercised in cases where some definite and satisfactory reason can be given. It is now so frequently exercised that the exception has become the rule; more contracts exceeding \$2,000 have been awarded since February 1, 1906, without advertisement than with; and the giving of authority to dispense with public competition has become a part of the routine work of the Mayor's office.

Where, with the approval of the Mayor, bids are solicited privately from contractors or material men, the departments in many cases do not invite the best known and most competent firms, but only a small number of favored persons.

Where bids are invited for contract work by public advertisement, the contract is not always awarded to the lowest responsible bidder, but some other bidder is selected for reasons which the City officials are unable to satisfactorily explain.

Contracts awarded after bids, either private or public, have been received, are sometimes altered in important particulars, to the disadvantage of the City and for the benefit of the favored contractor.

In the performance of contracts originally secured by favor, the interests of the City are not protected; little care being taken by the City officials to see that the contract as written is honestly performed.

The negligence of the City officials has been so great that many instances of breach of contract, and some instances of actual fraud, which have occurred during the past two years, were not discovered by the City officials and might probably never have been discovered but for the investigations of this Commission.

In some cases breaches of contract have been discovered by the Department, but nothing has been done, and payments have been made by the City to the contractor, although the officials knew that the City had been cheated.

The methods of the City have fallen into such discredit that reputable contractors and dealers assume that political influence is necessary to procure a City contract, even if the work is nominally open to public competition.

These practices are wholly unnecessary from the standpoint of honest public administration, and are in striking contrast with the straightforward contract methods adopted by the Metropolitan Water and Sewerage Board and the Boston Transit Commission.

The result of these methods has been a complete demoralization of the executive business of the City and a heavy financial loss.

The general inquiry into these non-competitive contracts and their results is not concluded and when finished will be made the subject of an extended report. In the meantime, the Commission desires to call the attention of the City Government to one of the worst features of the present system, the awarding of contracts by favor to influential members of the State and City Governments.

The letting of City contracts without public competition to members of the City Council, which is the body which votes

appropriations and loans, or to members of the State Legislature, the authority of which is necessary for a large part of the City expenditures, is a practice which is distinctly obnoxious to honest and economical administration, and should be stopped without delay.

The Charter Amendments of 1885, Chapter 266, provide in Section 12, that no member of the City Council shall, directly or indirectly, take part in the employment of labor, the making of contracts, the purchase of materials or supplies, etc., etc.; and the evils which this law was intended to correct are intensified when members of the City Council first vote the appropriations and then take an active part in the making of contracts in which they are themselves financially interested.

The practice of giving contracts or orders for supplies or work without competition to members of the City Council, who under assumed names are financially interested in the contracts discriminates unfairly against contractors who are not in politics, invites laxity of supervision by the City officials, leads to negligence or default in the performance of contracts, increases the cost of municipal work, and encourages extravagance in appropriations and loans. These evils are aggravated when such favors are given to supporters of the administration in return for past or future political assistance. The same considerations apply with almost equal force to members of the State Legislature, a large part of whose time is devoted to the affairs of the City of Boston. They apply with peculiar force to the members of the Board of Aldermen, upon whose favor most of the heads of Departments are dependent for confirmation when appointed or reappointed to office.

The Commission is satisfied that this is a common practice at the present time, and as illustrations of the precise methods resorted to, and of their effect upon the City finances, the following instances are cited :

1. DEALINGS WITH THE BRIGHTON COAL COMPANY.

This concern is stated by Mr. William H. Woods, now an Alderman of the City, to be a Massachusetts Corporation, of which he is president and manager and in which he owns a controlling interest. The company sells to the Street, Sewer, Water, Supply and Overseers of the Poor Departments. The sales are made upon orders or requisitions of the several Departments with-

out competition. The dealings between this company and the City have continued since Mr. Woods has been a member of the Board of Aldermen; the purchases being arranged for either by himself or his bookkeeper. According to Mr. Woods' testimony, a considerable part of the City's purchases of coal and other supplies is treated as political patronage and given without competition to the political friends of the administration for the time being. As a consequence of this system, the City pays retail prices for a large part of its supplies, and very much more than it might if it made its purchases on business principles.

Other transactions in coal have been the subject of investigation by the Commission, and a copy of the evidence taken at the public hearings on this subject has been transmitted to the Mayor. At this time the Commission contents itself with observing that, in its opinion the City, by buying its coal in the autumn and winter instead of in the spring, by buying in insufficient quantities, by selecting the sellers by favor instead of by competition, by taking no pains to see that the dealers perform their contracts, by permitting itself to be cheated both in quality and quantity, and by its generally unintelligent methods of purchase, loses at least \$100,000 per annum on its purchases of coal.

2. DEALINGS WITH THE EASTERN CLAY GOODS COMPANY.

This is a concern which sells cement, sewer pipe and other articles to the City.

Prior to the beginning of the current year, Alderman Woods had been superintendent of the company; but, according to his testimony, he severed his connection with the company soon after his election as Alderman, and he claims to have no interest in the company at the present time. It appears, however, that upon his resignation as superintendent, the company upon his recommendation employed a Mr. Lane, and agreed to pay him the same compensation which had been previously paid to Mr. Woods. The manager of the company testified before the Commission that the reason this change was made was because Mr. Woods "wanted to allay all suspicion" and "did not want his name mentioned as connected with the company." The manager admitted that the company still has Mr. Woods' "influence as a friend" in the sale of goods to the City, and that the compensation paid Lane was because of these friendly services. He said

that the arrangement between the company, Mr. Woods and Mr. Lane was possibly a "mere subterfuge or cover," and that it was "an arrangement to keep Woods' name out of the business." He gave it as his "opinion" that Mr. Lane would give a share of his compensation to Mr. Woods, and he "expected" that the latter would get some of it.

The prices at which this company sold goods to the City are higher than those at which it sold similar articles to the Metropolitan Water and Sewerage Board, and to some private customers.

3. THE LINEHAN—HALLION CONTRACTS.

In July, 1902, the Schoolhouse Commissioners entered into a number of contracts with "F. J. Linehan and Company." When the first drafts on these contracts reached the City Auditor's office it was objected to because Mr. Linehan was then a member of the Common Council. On August 20th these contracts were cancelled by the Commissioners. On August 22nd the Commissioners instructed Mr. Linehan as to what Mr. W. J. Hallion must do in order to secure the work, and on the same day entered into four contracts with Hallion for the aggregate sum of \$1,541. On August 23rd, Hallion gave an order to the City to pay whatever might be due on one of these jobs to Mr. Linehan; on August 28th, he signed a general order to pay Mr. Linehan all amounts then due or that might become due to him from the City until otherwise ordered; and all the money paid by the City on these contracts was received by Mr. Linehan. The whole transaction was a transparent subterfuge.

During 1903 and 1904, when Mr. Linehan was not a member of the City Council, six contracts were awarded by the City to him in his own name; and Mr. Hallion appears to have had no contractual dealings with the City.

In 1905, Mr. Linehan was in the Board of Aldermen; and Mr. Hallion obtained from the Department of Public Grounds three contracts for the aggregate amount of \$710, and one contract dated September 21st, without advertisement, from the Sewer Division of the Street Department for the sum of \$6,545. This last mentioned contract was charged to the loans for sewerage works which passed the Board of Aldermen, February 6th and August 7, 1905, Mr. Linehan in both cases voting "yea."

In 1906 and 1907, Mr. Hallion obtained from various departments of the City Government, without public competition,

twenty-six contracts or orders, upon which the payments amounted to \$34,815.39. Mr. Linehan was a member of the Board of Aldermen in the year 1906, and a member of the State Senate in 1907. \$18,769.92 of the money paid on these contracts was paid out of the money provided by the regular annual appropriation bill for 1906, which passed the Board of Aldermen on April 16th, in that year, Mr. Linehan voting "yea;" and the further sum of \$10,045.31 was paid from the loans for street improvements, which passed the Board of Aldermen on May 17th and October 22nd, 1906, Mr. Linehan voting "yea."

Seven of these jobs were for different sections of the Common walks, built for the Superintendant of Public Grounds. These contracts, upon which the City paid \$17,255.44, should have been included in a single contract and awarded to the lowest bidder in a public competition, but, were, in fact, divided up into separate jobs and given to W. J. Hallion under the circumstances noted below.

Another case in which work could apparently have been done more profitably to the City by means of a single contract is presented by the dealings between the Street Department and W. J. Hallion, with reference to certain paving work in South Boston. Between July 27th and October 26th, 1905, five contracts on which the City paid \$7,252.91, were given without competition to Hallion, for paving and setting edgestones, gutters, etc., in the easterly section of South Boston.

The first payment made by the City on these twenty-six contracts was for \$1,656., paid by check dated April 21, 1906, to the order of W. J. Hallion, and endorsed to a gentleman who testified that he was acting as Hallion's attorney, and refused to say whether he paid the money or any part of it to Linehan, or what he did with it. The largest of these contracts was that of July 7th, more particularly referred to below, for building a part of one of the granolithic walks on the Common. This contract was originally written for \$8,530., and payments on it were made by the City of \$3,625.25 on August 11th, and \$4,691.50 on September 1st. These payments aggregating \$8316.75 were made by check payable to Hallion, endorsed by him to Linehan, and deposited by the latter in a personal account kept by him at the Beacon Trust Company. Payments on some of the other contracts, namely, \$1,751.76 paid September 10th, 1906, and \$1,820.02 paid September 24th, 1906, were also made by check payable to Hallion, endorsed by him and Linehan, and deposited to the

latter's credit at the Beacon Trust Company. Besides these four payments aggregating \$11,888.53, in 1906, another payment of \$2,652.78, made by the City in 1907, was upon the contracts given to Hallion in 1906, and this check was also endorsed by Mr. Linehan and deposited in his account at the Beacon Trust Company.

Three other payments were made by the City in 1907, upon contracts made or work ordered in that year, by checks which in like manner were endorsed and deposited to Mr. Linehan's credit at the Beacon Trust Company.

The total amount of money paid by the City upon these contracts by check to the order of Hallion, endorsed by him and Linehan, and deposited to the credit of the latter's personal account at the Beacon Trust Company, was \$18,977.46; of which \$14,541.31 was on account of contracts made or work done during the year 1905. These payments were on the contracts for the Common walks, on the contracts with the Street Department for paving in South Boston, on work for the Art Commission and on miscellaneous orders from the Department of Public Grounds.

Respecting the eight City checks drawn to Hallion's order which had found their way in to his (Mr. Linehan's) personal account at the Beacon Trust Company, Mr. Linehan testified as to some of them that he thought he had cashed them for Hallion, as to others that he did not know they went into his own bank account, and as to others that he thought they were not deposited to his credit. He said that he did not at the present time have any checks or stubs to represent the money drawn on his account at the Beacon Trust Company, that the books in which he kept the account of his payments had been destroyed or lost, and that he had got rid of his checks because he did not need them.

The books of the Beacon Trust Company show that Mr. Linehan's account was opened on December 7, 1905, that the total deposits to January 1, 1907, were \$19,195.88, that of this amount \$11,888.53 were the proceeds of the four checks given by the City to Hallion and deposited in this account as hereinbefore set forth, that all of the eight City checks above referred to, aggregating \$18,977.46, were deposited on the day or the day after they were drawn, that no checks for similiar amounts were drawn by Mr. Linehan on this account, that the account was drawn on at various times for various sums as in the case of an ordinary bank account, and apparently that no checks were at any time drawn against it for the purpose of cashing the checks obtained from the City by Hallion.

The inspectors employed by the City state that Mr. Linehan was on the Railroad walk job directing its progress practically every day.

William J. Hallion has had, and now has, his legal residence in the same house with Mr. Linehan, but the constable to whom a summons was entrusted was unable to find him.

The apparent identity between the handwriting of Mr. Linehan and certain bids, endorsements, and letters purporting to have been written or signed by Wm. J. Hallion, attracted the attention of the Commission; and two experts in handwriting were examined, one summoned by the Commission and the other by counsel for Mr. Linehan.

The expert called for the Commission testified that in his opinion all the above writings purporting to be signed by Wm J. Hallion were written by the person who wrote Mr. Linehan's endorsement on the eight checks which were deposited to the credit of Mr. Linehan at the Beacon Trust Company. The other expert, called by Mr. Linehan, testified that in his opinion five of the Hallion endorsements were not written by the person who had signed Mr. Hallion's name on the checks; and as to the Hallion endorsements on the other three checks, he thought that they were not written by the same person who wrote that name on the five checks, or by the person who had signed Hallion's name on the City Treasurer's receipt book (admitted as a standard of Hallion's handwriting), and was unable to say whether or not these three endorsements were written by the person who wrote the name F. J. Linehan on these checks.

The expert called for the Commission said that he thought that the bid dated May 4, 1906, for the Common walk contract, purporting to be signed by William J. Hallion, referred to more particularly below, and the letter of March 16, 1907, accompanying a bid of William J. Hallion on the Deer Island wall contract, also referred to below, and purporting to be signed by William J. Hallion, were both in fact signed by the person who wrote Mr. Linehan's name on the checks. Mr. Linehan's expert said the signature on this bid and letter was not written by the person who had written Hallion's name on the Treasurer's books.

This witness declined to use the standards for Mr. Linehan's handwriting which the other expert had used, because they were written in pencil; and although he had asked Mr. Linehan for samples of his handwriting, none had been furnished him. He was therefore unwilling to say whether the bid and letter in question were written by Mr. Linehan or not. He found many

similarities between the pencil standards and the questioned writings, but was unwilling for the reasons noted to express an opinion.

Mr. Linehan did not ask an opportunity to deny that he wrote the bid and letter in question.

The Commission believes that Mr. Linehan himself signed the Hallion bid on the Common walks of May 4, 1906, wrote and signed the Hallion letter of March 16, 1907, relating to the Deer Island Boundary wall contract, and wrote some of the endorsements "William J. Hallion" on the checks in question.

Mr. Linehan testified before the Commission that he was not financially or contractually interested in the contract for the Railroad walk on the Common.

The Commission entertains no doubt that Mr. Linehan was financially interested in this contract and in others, if not in all, of the thirty odd contracts given by the City to William J. Hallion, while he, Linehan, was either a member of the Common Council, the Board of Aldermen, or the State Senate.

4. THE CONTRACTS FOR THE COMMON WALKS.

The principal walks on the Common had been in need of repairs or reconstruction for some years, and the Superintendent of Public Grounds had recommended an appropriation for the purpose every year since 1899. In 1901, estimates were obtained by him for replacing the so-called "railroad walk" with a granolithic pavement from four of the best known contractors in the City.

Nothing further was done in the matter until 1906, when the appropriation for this Department was made large enough to cover this work. On April 9th, the Committee on Appropriations reported to the Board of Aldermen the annual appropriation bill with an item for the Public Grounds Department of \$125,000. This bill was referred to the Committee on Public Improvements, of which Alderman Linehan was a member, and was reported back on April 16th with several amendments, including one to increase the appropriation for the Public Grounds Department by \$10,000. The bill passed the Board of Aldermen in this form on April 16th, Mr. Linehan voting "yea"; it passed the Common Council on April 26; and was approved by the Mayor on April 27th.

Alderman Linehan at once became active respecting plans, specifications and contracts. On the very day the appropriation

bill was signed and before any plans or specifications had been prepared by the City Engineer, he had certain specifications, the origin of which the Committee has been unable to learn, copied by a public stenographer. He then approached the firm of Thomas J. Hind & Company, had a conversation with Mr. Hind, got a figure, wrote out a form of bid for \$8,940, saw this draft copied out and signed by Hind's clerk as a formal bid, and took the completed bid away with him. When before the Commission, Mr. Linehan was asked whether the draft was in his handwriting. He replied: "I am not a clairvoyant or a mind reader; neither am I a handwriting expert." Then asked if he would say that it was not his writing, he replied, "Oh no, it aint. * * * * My answer is that I am not a clairvoyant, a mind reader, nor an expert in handwriting, and you can figure that out to suit yourselves."

Upon the testimony of Mr. Hind and his clerk and other evidence, including many standards of comparison in the shape of endorsements on checks, entries on deposit slips, and questions which Mr. Linehan had written out for submission through the Chairman to the various witnesses, the Commission is satisfied that the first draft of the bid was written by Mr. Linehan in Mr. Hind's office.

This bid was dated May 5th, and found its way to the Superintendent of Public Grounds, as also three other bids dated May 4th. Owing to the fact that the then Superintendent is not living it is impossible to ascertain the circumstances under which these other bids were invited or received; but it is certain that there was no public advertisement of the work, and none of the responsible firms invited to bid in 1901 appear to have been requested to bid on this occasion except T. J. Hind & Co., under the circumstances already noted. The four proposals varied from the bid, for \$8,940 submitted by Mr. Hind at Mr. Linehan's dictation to a bid for \$8,530 purporting to be signed by William J. Hallion, but really signed, in the opinion of the Commission, by Frank J. Linehan.

On May 21st, the Superintendent wrote to the Mayor as follows:

"May 21, 1906.

HON. JOHN F. FITZGERALD, *Mayor,*
City of Boston, City

SIR,—I have received a great many bids for the construction of the Railroad walk on Boston Common, but as they are not all

figured from the same specifications I would suggest that the City Engineer draw up new specifications and advertise for new bids.

Very respectfully,

WM. DOOGUE."

At or about this time the agent for Warren Brothers, a large concern engaged in this kind of business, requested an opportunity to bid. He was told by the Superintendent that he was probably too late, but he was furnished by some one in the City Engineer's office with a sketch of the proposed walk, and submitted a bid to the Superintendent under date of June 4th, which was transmitted to the Mayor on June 5th. This bid was by the square foot, and according to the City Engineer was, after making the necessary corrections and additions, some \$200 lower than the Hallion bid.

About the end of May, the City Engineer received from the Mayor's office the three bids of May 4th, the Hind bid of May 5th, and a form of contract and seven pages of specifications, the the contract and specifications being bound together in a cover which bore the imprint of the public stenographer who on April 27th had made for Mr. Linehan three copies of a document consisting of exactly seven pages. A plan was then prepared in the City Engineer's office and is dated June 11th. The specifications which had come down from the Mayor's office were regarded by the Assistant City Engineer as indefinite and unsatisfactory, and were amended or rewritten by him.

No further bids were invited by advertisement or otherwise on these plans and specifications — the first which had ever been prepared by the City Engineer — and no attention was paid to the Warren bid ; but on June 12th the City Engineer wrote :

"ENGINEERING DEPARTMENT
50 City Hall

Subject West St. mall Bos. Common
L. B. 28 pg 454 granolithic walk,
No. 11459.

June 12, 1906.

HON. JOHN F. FITZGERALD, *Mayor*.

DEAR SIR,— In compliance with your request I have examined the bids for a walk on Boston Common received by the Superintendent of Public Grounds on May 4th, 1906, and we have revised the specifications for the work.

The bids were as follows :

No.	Bidder.	Address.	Amount of Bid.
1.	Wm. J. Hallion	Boston, Mass.	\$8,530
2.	W. F. Kearns & Co.	" "	8,825
3.	George W. Carr & Co.	" "	8,760
4.	Thomas J. Hind	" "	8,940

and I recomend that the lowest bid be accepted.

Yours respectfully,

WILLIAM JACKSON,

City Engineer.

Approved

JOHN F. FITZGERALD,

Mayor of Boston, Mass."

On June 16th the chief clerk in the Mayor's office addressed to the Superintendent the following letter :

"OFFICE OF THE MAYOR

June 16, 1906.

WILLIAM DOOGUE, Esq.,

Superintendent of Public Grounds :

DEAR SIR,—If it is your desire to award the contract for building walk on the Common to the lowest bidder, a request should be sent to the Mayor in the following form :

'HON. JOHN F. FITZGERALD,

Mayor of Boston.

SIR,—I have received the following bids for the construction of walk on Boston Common—known as "Railroad" walk—and for the reason that it is advisable to proceed with this work at once, I request your authority to award the contract for doing the work to the lowest bidder, without publicly advertising for proposals.

Bidders: (Give list)

Yours very truly,

WILLIAM DOOGUE,

Superintendent of Public Grounds.'

I return herewith the correspondence in the matter.

Yours very truly,

T. A. BUTLER, *Chief Clerk."*

The suggestion contained in this letter, which does not appear to have been written by order of the Mayor, but by the chief clerk as a matter of routine, was promptly acted on by the superintendent, who, in a letter dated June 18th, requested permission to award the contract to Hallion without advertisement. The Mayor approved this award; and a contract, bearing date July 7th, for \$8,530, was executed by the City and William J. Hallion, and approved by the Mayor.

During the progress of the work Alderman Linehan was present on the job directing the laborers practically every day.

On July 30th, some three weeks after the contract was signed, and about ten days before the first payment on it was made, a suit was brought in the Municipal Court against William J. Hallion and the City as trustee. On August 2nd, Mr. Linehan protested to the attorney for the plaintiff that he had tied up his (Linehan's) money by this trustee process.

There is no doubt in the minds of the Commission that Alderman Linehan was the real contractor in this case, and that it was the intention of the City Government that he should get the contract without any genuine or effective competition. While a member of the Board of Aldermen, Mr. Linehan took a direct part in the appropriation for the work, in the making of the contract, and in the execution of the work; and he received the money paid for it by the City.

The work included in this contract was a part of the Railroad walk, so-called, and extended part way from the corner of Tremont and West streets to Park square. On October 15th the contract was amended so as to include the westerly end of the walk for the further sum of \$3,714. This new contract was awarded with the approval of the Mayor without competition of any kind. In the meantime, on August 30th, a contract for \$1,507 was given to Hallion for the walk from the corner of Tremont and Boylston streets to the Railroad walk, and another for \$136 for work on the Joy street mall. On November 2nd, Hallion got a contract for \$1,063 for the section between the Joy street mall and the Railroad walk; on March 29, 1907, an order for work at the Park square entrance which amounted to \$430.24; and on April 15, 1907, a further contract for \$1,875 for the section between the Joy street walk and Lafayette Mall. These seven contracts amounted \$17,255.44, and were for different sections of a connected piece of work which, the City Engineer says, was perfectly simple, and work which there was no reason for not awarding in the ordinary way in a single contract after a public advertised competition. He did not, however, consider it his duty to volunteer advice on this subject, and did not do so, and the work was in fact split up into seven contracts, six of which were awarded without any pretense of competition, and the other without any real competition, to "William J. Hallion."

That the City lost money by doing the work in this way is ap-

parent from the testimony of the City Engineer, who says that if the work had been advertised in a single contract the City would have been better off. The exact amount of the loss has not been computed.

5. THE DEALINGS WITH THE "ATLAS CONSTRUCTION CO."

Early in the present year Mr. Linehan, now a member of the State Senate, entered into a partnership with Mr. Frank Conroy, who for some years had been in the employ of Thomas J. Hind & Company, and has done business under the style of the "Atlas Construction Company." Since April 1, 1907, some half dozen contracts or orders have been obtained from the various City departments to the aggregate amount of about \$60,000.

Of these contracts only one — the last for about \$5,000, on which nothing has yet been done — was obtained by public competition.

Although the City officials considered that the real contractor was Mr. Linehan, and that the "Atlas Construction Company" was only a name adopted by him for business purposes, his own name does not appear on any of the contracts.

The largest of these contracts was that for the Deer Island wall, entered into by the Penal Institution Department under the authority of an order of the City Council, which passed the Board of Aldermen on June 7, 1906, Mr. Linehan voting "yea."

6. THE DEER ISLAND WALL CONTRACT.

This contract was for the erection of a reinforced concrete wall to separate the City's property on Deer Island from the land acquired by the United States Government, under the order of the City Council last referred to.

The cost of the work was estimated by the United States engineers at from \$36,000 to \$41,000, by the Assistant City Engineer at \$36,500, and by the City Engineer himself at something in excess of \$40,000. A competent engineer employed by the Commission has estimated the fair cost of the wall at \$41,000. The work was a relatively simple job of reinforced concrete involving no peculiar difficulties; it was well adapted for competitive bidding; and the City Engineer prepared a printed form of contract intended to secure "lump sum" bids,

together with proposal blanks drawn in the usual way for sealed bids to be submitted in response to a public advertisement.

The contract was, however, not advertised. The Commissioner was induced to receive private bids from "William J. Hallion," and the "Atlas Construction Company," and also make efforts to secure bids from two other contractors. One of these, although in the habit of bidding on work offered by the Metropolitan Water Board, The Boston Transit Commission, and other public bodies, was unwilling to do business with the regular departments of the City Government; but, yielding finally to repeated requests from the Commissioner, put in a bid which was intentionally made so high as to make it certain that he should not obtain the contract. The other contractor invited by the Commissioner to bid considered the specifications to involve very exact and expensive work, and in preparing his bid was influenced by his supposition that the work would have to be done under the supervision of the United States Engineers.

Besides these bids there was one by the "Atlas Construction Company," in which Mr. Linehan was a partner; and one by "William J. Hallion," which was accompanied by a letter purporting to be signed by Hallion, but really written and signed by Frank J. Linehan.

The lowest figure obtained by this pretended competition was that of the "Atlas Construction Company" for \$525,00. This bid was some \$10,000. in excess of the estimated cost of the work; it was regarded by the City Engineer as excessive; and he advised against awarding the contract on the basis of this bid.

The Law (St. 1890, Ch. 418, Sec. 4) providing that in advertisements for contract work the right shall be reserved to reject any or all bids indicates what should generally be done when the lowest bid is regarded as too high. All the bids should be rejected and the work advertised again. A fortiori should this course be followed when bids have been received privately from a small number of contractors and no opportunity has been given to the trade in general to compete for the work. There was no good reason in this case why the work should not at once have been thrown open to public competition, as originally intended by the City Engineer.

Mr. Linehan denied that he had any conversation about this contract with any City official other than the Commissioner and the City Engineer; but the latter testified that at this stage of the preceeding he was invited by telephone messages from the

Mayor's office to meet the Commissioner, Mr. Linehan, and the Mayor, and did so, two conferences being held in a private room at Youngs' Hotel. The City Engineer testified at these conferences both he and the Commissioner tried to induce Mr. Linehan to lower his bid so as to bring it nearer the estimates, but failed to do so. The City Engineer said that he supposed the hearing was for the purpose of giving Mr. Linehan a chance to convince the Commissioner that his bid was not too high and that the Mayor inquired whether they had settled their differences. Mr. Linehan testified the City Engineer contended that the bid was \$10,000 too high, but that the Engineer was very fair and accepted most of his (Linehan's) suggestions.

It is clear to the Commission that these proceedings were interpreted by the Commissioner and the City Engineer as a direction to give the contract to Mr. Linehan on the best terms obtainable.

The result was the drafting of an entirely new contract, framed to some extent on the "actual cost plus a fixed profit" plan, with a provision that the cost to the City should not exceed \$51,500. The contractor's profit was fixed at \$6,000, plus 15% of the amount, if any, by which the actual cost of the work, exclusive of profit, should fall below the sum of \$45,000.

The contract was otherwise modified in important particulars to the disadvantage of the City; the time limit was omitted; the authority of the Engineer to settle disputes was struck out; and other useful clauses usually found in municipal contracts and actually included in the draft upon which the bids had been secured, were omitted in the contract as signed.

One serious defect in both the original form and the final contract was the absence of any provision that the work should be done to the satisfaction of the United States authorities. By the deed from the City to the United States, dated October 15, 1906, the sum of \$50,000 was to be held back until the "satisfactory performance" of the agreement by the City to build the wall. Notwithstanding this obligation on the part of the City to build the wall to the reasonable satisfaction of the grantee, no corresponding duty was imposed upon the contractor in the construction contract.

This contract was an improvident one for the City to enter into, and an improper one for any City official to sign.

No bids were invited from other parties upon the new contract, and with the approval of the Mayor it was awarded on May 1,

1906, to The "Atlas Construction Company," without further competition of any sort. There was no effective competition under the first specifications; there was none at all for the contract as actually signed.

Mr. Linehan was regarded by the City authorities as the contractor; but the original bid, signed "Atlas Construction Co., by Frank Conroy, Manager" recited that "The only persons interested in this bid as principals are named herein," and contained no mention of Mr. Linehan. The contract was signed by "Frank Conroy, Manager," and the City had nothing in writing to show that Mr. Linehan was in any way interested in the contract, or responsible for its execution.

The original specifications and plans contemplated a coping of granite. The contract as signed left it optional with the Commissioner to exact either a coping of granite or one of concrete. On June 17, the War Department assented to the substitution of concrete for granite and the coping was built of concrete. This change was a saving to the contractor, the amount of which is estimated by the Commissioner at about \$2,500; but no corresponding reduction was made in either the maximum or minimum sum to be paid by the City.

The contract provided that the contractor should receive the actual cost to him for the labor as determined by the Commissioner of Penal Institutions, according to a certain schedule of wages, materials, and rentals incorporated in the contract, and the contractor agreed to pay his employees the rate of wages fixed by this schedule. The latter clause was apparently inserted by reason of the experience of the City in the so-called Fenway contracts, where the absence of such a provision had enabled the contractors to collect from the City the schedule rates, although they in fact had paid much less. It was the intention of the Deer Island wall contract that the City should pay in addition to the stipulated profit only the actual cost to the contractor, and if the contractor paid less than the schedule rates, he was entitled to receive only the amounts he had actually paid. Under such a contract as this it was for the interest of the contractor to keep the cost of the work to him as small as possible, because he was to receive 15% of the amount by which the cost to him should fall below the sum of \$45,000. On the other hand, if the City should pay the contractor more than he himself paid out, the contractor would profit to the extent of 85% of these over-payments, up to the sum of \$45,000.

To guard against the risk of paying more than the actual cost of the work the contract contained a provision that the contractor should "furnish payrolls and such other data as the Commissioner may require."

Work was begun under this contract about the middle of July, 1907, and the job is now more than half completed.

Three payments have been made on the contract by the City, one each in the months of August, September, and October; the aggregate amount received by the contractor on these payments being \$23,995.05. These payments were made upon drafts, to each of which was annexed a certificate or estimate by the City Engineer setting forth the quantities, hours, and unit prices upon which the draft was based. At the bottom of the draft is a receipt signed by the contractor, and the engineer's certificate is attached to the draft and receipt in such a way that before the contractor could sign the receipt, his attention would necessarily be arrested by the certificate. The receipts were signed for by Mr. Conroy. The City Auditor states positively that the certificate was, in such instances, attached to the draft before Mr. Conroy received the same and before he signed the receipt for it.

Under the contract the City was simply to re-imburse the contractors for the amounts paid out by them; but in some grades of labor the contractors did not pay the wages specified in the contract and paid for on these drafts. To this extent the contractors have been overpaid by the City.

For illustrations, the contract provided that the contractor should pay \$40 a week for a foreman and \$3.50 a day for a sub-foreman, and should receive those prices from the City. The certificates signed by the City Engineer represented the amounts due to the contractor for the services of a foreman and sub-foreman at these respective figures; and the drafts were figured and the payments made upon the basis of these certificates. The contractors had in fact, however, been paying only \$30 a week for their foreman and \$2.50 a day for their sub-foreman. The result was that on these two items the contractors received from the City from the beginning of the work down to October 15, 1907, \$10 a week for the foreman, and \$1 a day more for the sub-foreman than they had themselves paid out and were entitled to under the contract.

The total payments for labor, according to the contractors' time books, from the beginning of the work to October 15, 1907, were \$8,142.52, while the City paid \$8,518.11.

Employees from the City Engineer's office acted as inspectors on the work, and submitted daily reports of the number of men employed by the contractors. The inspectors and their superiors say they supposed that Mr. Conroy was foreman and was the person for whose wages the contractors were to be re-imbursed under the certificates for payments.

Mr. Conroy's relation to the undertaking was sufficiently disclosed by the fact that he signed the contract and collected and receipted for the money paid under it by the City; and if the contractors were not entitled under this contract to any compensation, beyond the agreed on profit of \$6,000, for the services of either member of the firm, that is if the contractors elected to superintend the work themselves and employed no foreman at \$40 a week, it would seem that this entire item should be eliminated from the payments.

In the performance of this contract, therefore, not only did the City pay more for labor than the contract called for, and more than the contractors themselves had paid; but it is questionable whether the contractors are entitled to anything for the services of a "foreman" during the period covered by the payments already made.

As in the daily reports made up by the City inspectors, Conroy was counted as an employee, each report contained one employee too many. Copies of these reports were transmitted daily to the contractors; but the contractors did not call the attention of the City officials to the excessive number of employees on these reports.

At no time from the beginning of the work to the end of October was any pay-roll or statement of the wages paid by the contractors furnished by them to the City authorities; nor was any such statement requested by the City Engineer or the Commissioner of Penal Institutions, or by any of their employees, until sometime during the month of October.

The contractors produced their weekly time books, but refused to produce their other books, including three which were seen at the office of the "Atlas Construction Company," and which contained entries relating to the Deer Island work. Copies of the entries in one of these books show that it contained a pay-roll for this job, in which the foreman was set down as receiving \$40 per week, and the sub-foreman \$3.50 per day; and that the excess of the figures in this book over the corresponding figures in the time books varied from \$16 to \$101 per week. The book-

keeper said that she was using this book to prepare a pay-roll or time sheet.

The contract was a contract of re-imbursement, in which a clause was purposely inserted to enable the City officials to protect the City from paying more than the contractor paid; but the City officials neglected to make any use whatever of this power; the contractors were overpaid upon all the payments down to the date of this investigation; and nobody discovered the fact until the inspection of the contractors' books disclosed it.

The Commissioner claims that he supposed the City Engineer was attending to the duty of verifying the pay-rolls, and that he (the Commissioner) approved the payments only after the City Engineer had first certified to the accuracy of the amounts. The Engineer contends that under the contract the entire responsibility for the performance of the same rested with the Commissioner. Neither the Commissioner nor the Engineer made any effort to ascertain how much the contractor was actually paying out for labor. Each claims to have assumed that the other was attending to the discharge of this duty. As a matter of fact neither performed it.

It appears also that a large number of workmen employed on cement and concrete did not receive the schedule rate for their labor.

The City Engineer considers that the work has been mismanaged by the contractors, that they have acted as if they were learning the business, and that there has been waste and inefficiency in the execution of the contract. He and the Commissioner have little hope that the City will not have to pay the maximum figure set by the contract, \$51,500.

In the opinion of the Commission, the Deer Island wall will cost the City at least \$10,000 more than if it had been awarded as it should have been to the lowest responsible bidder after a fair advertised public competition.

RECOMMENDATIONS.

While the Commission is not yet ready to report generally on contract methods, it deems this an appropriate time to make the following recommendations:

1. All contracts exceeding \$2,000 in amount should be awarded after public advertisement and competition, unless some special exigency exists, and the head of the Department furnishes

the Mayor with a written statement giving in detail good and sufficient reasons for not inviting bids by advertisement. Reasons, merely formal and in routine phrase made for the purpose of evading the statute, should not be tolerated.

2. The duties of the City Engineer under Ch. 16 of the Revised Ordinances, should not be interpreted, either by him, by the Mayor or by the heads of Departments, so narrowly as is now the case. His advice should be solicited, and if not solicited should nevertheless be given if the opportunity presents itself, concerning the entire business of the City "which properly comes under the direction of a civil engineer."

3. Reputable firms of known responsibility should be encouraged by fair and business like treatment to compete for City work.

4. All contracts should be signed by the real parties in interest.

5. No percentage contracts should be entered into by any Department of the City Government, except in cases presenting features of peculiar difficulty, and only then after a statement in writing has been made by the City Engineer giving in detail his reasons for advising this course.

6. In all work undertaken upon a percentage of actual cost plus a profit basis, the contract should provide that the City shall pay no more for labor or materials than the contractor himself pays, and that no money shall be paid until after the contractor has furnished a statement signed by him of all moneys paid to date for labor, services, and materials. The other provision found in the regular City contracts should, so far as possible, be incorporated.

7. No further payments should be made under the Deer Island wall contract until the payrolls recently furnished by the contractor have been examined and verified, and all the bills for materials have been carefully scrutinized, and the opinion of the Law Department obtained upon all items in dispute.

8. The Charter Amendments of 1885, Ch. 266, Sec. 12, should be strictly enforced. Members of the City Council should not solicit contracts for any one, much less for themselves. Nor should they "directly or indirectly take part in the * * * * making of contracts."

9. The existing Law, R. L. Ch. 210, Sec. 9, should be strengthened and amended so as to apply to members of the State Legislature who represent Boston districts; and the law should provide that any City contract obnoxious to its provisions shall

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be void, and that all moneys paid under it may be recovered back.

10. The heads of Departments should be protected by the Mayor from the demands of members of the City Council and State Legislature that contracts be awarded to them or their friends. Neither the heads of Departments nor the Mayor should permit themselves to be intimidated into awarding contracts, in response to such demands.

The evidence heard by the Commission will be submitted to the District Attorney for such action as he may see fit to take, and his attention will be particularly directed to the conduct of Mr. Woods and Mr. Linehan while members of the City Council, with reference to City Contracts, to the testimony of Mr. Woods that he had no interest in the Eastern Clay Goods Company, and to the testimony of Mr. Linehan that he has no financial interest in the Hallion contracts.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO COMMISSIONER OF THE PENAL
INSTITUTIONS IN RELATION TO PAYMENTS TO
THE ATLAS CONSTRUCTION COMPANY.

November 22, 1907.

MR. JOHN B. MARTIN,
Commissioner Penal Institution,
32 Tremont St., Boston, Mass.

DEAR SIR,—The Commission instructs me to advise you that by its communication of November 19th, in regard to the Deer Island Boundary Wall, it suggested that "the accounts on both sides be stated so as to prevent future claims based upon labor, materials, or other items furnished prior to the date of the accounting."

The reason for this suggestion was that during the investigations of the Commission it developed both that there had been certain over payments under the contract, and that it was claimed that extra work not provided for by the contract had been done, as to which it was uncertain whether or not the contractor was entitled to or would claim compensation.

It was the suggestion of the Commission that the matter of payments under the contract be corrected to date, and also that the contractor state all his claims for extra work outside of the contract that were to be made, and that the validity of these be passed upon by the Law Department.

On the other hand, if no such claims are to be made by the contractor for extra work to date, there should be a formal and binding waiver thereof so that the matter should not later be in dispute.

Yours very truly,

J. W. FARLEY,
Secretary.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL IN RELATION TO THE PURCHASE OF COAL.

November 24, 1907.

To the Mayor and City Council:

Certain City departments having recently invited bids for coal by public advertisement under novel specifications, and having failed to receive satisfactory bids, the conclusion has been drawn that this result is due to faulty specifications submitted to and approved by the Finance Commission.

The fact is that these specifications were not submitted to the Commission and have not received its approval.

It should be said for the chemist who drew the specifications and the City engineer who approved them, that the season in which the experiment of buying coal under heat unit specifications has been tried, has been the worst period of the year. It may be said of the attempt which has been made that it has already attained good results as to quality.

No form of contract, however perfect, can change the seasons or substitute the low freight rates and plentiful supply of spring and summer for the high rates and scant supply of fall and winter.

The City's improvidence has left it with empty coal bins at the approach of winter. The evils of this situation could not be remedied by simply drawing new specifications for bids. The true solution is to tide over the present exigency and to buy coal as economically as possible of reputable dealers until, with the coming spring, coal is again abundant. Then, under new and well considered specifications, contracts may be made for supplies for the whole year with provision for deliveries at stated periods.

Public service and other large corporations in the City buy great quantities of coal about the first of April under specifications which protect them as to price, quality and quantity, and though the City should have profited by their example, it has not done so.

The Commission will inquire carefully and will later report upon the following problems:—

(1) Whether the office of a single coal purchasing agent should be created.

N O V

(2) Whether the City should add to its present number of coal pockets.

(3) What or thereof, purchase have been found effective by other large purchasers.

Respectfully submitted,

BOSTON FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE CITY DEBT, AND
TO THE LOAN ORDER OF JULY 26, 1907.

November 29, 1907.

TO THE HONORABLE MAYOR AND CITY COUNCIL,

GENTLEMEN:—The order of the City Council under which the Finance Commission was appointed prescribed that the Commission should "examine into all matters pertaining to the finances of the City, including debt;" should inquire "whether under the present practice of the City its objects of expenditure are rightly divided between those which may properly be provided for by loan and those which should be met by taxation, and whether its loans are now issued for proper periods;" and should consider whether the debt of the City is "excessive, and if so, in what manner the same can be reduced."

In compliance with these instructions the Commission has endeavored to ascertain the present real indebtedness of the City, and has also considered some of the loans authorized, but not yet issued; and begs to report thereon in part:

I. THE PRESENT INDEBTEDNESS OF THE CITY.

The real indebtedness of the City is not easy to ascertain. No statements of it are published except the accounts of the direct City and County debt which are contained in the annual and monthly reports of the City Auditor. These figures are entirely misleading.

A considerable part of the City water debt was nominally transferred to the State under the provisions of the Metropolitan Water Act, and is now represented by that part of the Metropolitan Water debt which the City must repay in annual installments; besides which other loans have been issued by

the State for water supply, parks, boulevards, and other "metropolitan" purposes. A certain proportion of the annual interest and sinking fund requirements on all these Metropolitan debts is directly assessed upon the City of Boston, but the City's share at any given time of the entire Metropolitan debt is nowhere computed or published, and must be figured out whenever occasion arises.

In addition to the direct burden of the so-called City and County debt and the indirect burden of the Metropolitan debt, there is a general State debt, the annual cost of which for interest and sinking fund requirements is included in the State tax for the year; and over one-third of it is paid by the City of Boston. This indirect share of the general State debt is not published, and must be computed when required.

The Commission has procured from the Statistics Department an official statement of the real indebtedness of the City on Jan. 31, 1907, including the direct City and County debt, the City's share of the Metropolitan debt, and the City's proportion of the general State debt. These computations, together with similar figures for each census year from 1885 to 1905, and statistics for the same dates relating to population, valuation, and taxation are annexed to this report as Appendix A. The rate by which population, valuation, and indebtedness have increased during this period is set forth in Appendix B, also prepared by the Statistics Department.

The year 1885 was selected for the commencement of the period included in these computations, because it was in that year that the present City charter (Chap. 266) was adopted, the amount that could be raised by taxation exclusive of the State tax and of the debt requirements was limited (by Ch. 178) to nine dollars on the thousand of the average valuation for the preceding five years, and the limit of indebtedness was reduced from 2 1-2 per cent. to 2 per cent. of this average valuation.

The attention of the City Government should be seriously concentrated upon these figures. They show in brief:

1. That the real net debt of the City of Boston on January 31, 1907, was not the \$68,821,359.41, which figures in the Auditor's report, but \$111,848,735.06. About \$8,000,000 of

this amount is for subways leased upon terms which will enable the City to meet the debt requirements until the leases expire.

2. That this debt amounted to eight and a half per cent. of the Assessors' valuation of property subject to taxation and to \$183 per capita of the estimated population for the year. The common impression that the debt of Boston is effectually limited by law to 2 or 2 1-2 per cent. of the valuation is a misapprehension. So much money has been borrowed outside the limit, and the basis of valuation is so high, that there is in reality an underlying lien on every piece of real estate in the City amounting to practically ten per cent. of its market value. This lien is equivalent to a first mortgage on unencumbered real estate, and makes every first mortgage in reality a second mortgage. Every dollar represented by this underlying lien has been spent, and to a great extent misspent, in the past, and in part for the sole benefit of preceding generations.

3. That this alarming condition is almost entirely due to the financial operations of the past twelve years.

Between 1885 and 1895 the population increased 27 per cent., the valuation 39 per cent., and the debt 39 1-2 per cent. On January 31, 1885, the debt was 4.39 per cent. of the valuation, and \$77.13 per capita; on January 31, 1895, it was 4.42 per cent. of the valuation, and \$84.57 per capita.

Between 1895 and 1907 the population increased 22 1-2 per cent., the valuation 38 per cent., and the debt 166 per cent.; and on January 31, 1907, the debt amounted to 8.51 per cent. of the valuation and to \$183.43 per capita.

No community can thrive under the load of a debt which is piling up four times as fast as its wealth, and seven and a half times as fast as its population.

The responsibility for these conditions does not rest wholly with the City Government; but the greater part of it does. The increase in the net City and County debt between 1895 and 1907 as stated in the Auditor's report was \$31,689,935.68; but this figure is based upon a cancellation of debt in 1900 and 1901 amounting to \$12,530,356.70, being moneys paid by the State for the City's water sources taken in 1898. As this transaction amounted as to about 80 per cent. of the purchase money, to a mere change in the form of the debt, there should

be added about \$10,000,000 to the present nominal City and County debt in order to determine by how much the same has been increased since 1895 through the action of the City Government. It thus appears that of the total increase of \$69,-822,786.96, about \$41,500,000 should be considered as the increase in the net City and County debt. The net City and County debt in 1895 was \$37,131,423.73; so that the increase in this debt in twelve years amounts to about 111 per cent.

Some of the loans which have contributed to this result were forced upon the City by the Legislature, but by far the greater part have been deliberately voted by the City Council and approved by the Mayor for the time being in office.

It is not the purpose of the Commission in this report to attempt any further apportionment between the Legislature and the City Government of the responsibility for the enormous increase of debt which has taken place in recent years, nor to consider the objections to the individual loans by which the debt has been swollen to its present size. At this time the Commission desires to direct attention to some of the general causes which have led to this reckless use of the City's credit, to illustrate these causes by reference to the loan bill for \$1,564,500 approved July 26, 1907, most of which has not yet been issued, and to recommend the immediate repeal of a large part of this bill.

II. THE CAUSES OF INCREASE.

Among the more important causes of the great increase in the debt, the following may be noted:—

There seems to be no intelligent co-operation between the City Council and the heads of departments with reference to loans. Sometimes the heads of departments are not consulted at all; sometimes their opinion is received, but ignored; and in some cases loans are voted for purposes which, in the opinion of the department, are distinctly objectionable.

The miscellaneous loan bills passed each year are made up with less regard to the interests of the City as a whole, than to the needs or desires of particular sections. These bills are practically "log-rolled" through the City Council, and many

of the items would not on their own merits command the necessary two-third vote.

In many cases the amounts provided are insufficient for the work, and known to be inadequate.

To get a sufficient number of votes to pass the bill these local and less important items are permitted to eat up the borrowing capacity of the City, to the prejudice of really necessary work.

No regard seems to be paid to the alarming state of the City debt, but the borrowing power of the City is exercised to the full extent allowed by law. On October 31, 1907, there were nearly \$4,000,000 of bonds authorized but not issued merely because of the temporary inability of the City to market 4 per cent. bonds; and the borrowing capacity of the City was only \$88,157.17.

There is an evident disregard on the part of the City Government of the obligations imposed by the responsibility for spending money which is to be repaid by other people in future years.

Much of the money borrowed during the recent past has been raised for repairs, maintenance, or other current expenditures which ought to be defrayed from the tax levy.

The law (St. 1891 Ch. 206) prohibiting the issue of loans unless the Mayor shall first certify in writing upon the order authorizing the loan that the amount intended to be borrowed is not in his opinion to meet a current expense, or that public necessity requires the borrowing of the same has not been consistently observed. The power given by this law to the Mayor is absolute and not subject to revision by the City Council. It was given to him for the purpose of enabling him to prevent the borrowing of money for current expenses and it imposed upon him the duty of seeing that money was not borrowed for such purposes unless some emergency existed. Yet loans have been certified as not intended to meet a current expense when very little investigation should have satisfied the Mayor that the money was to be used for just such a purpose.

By St. 1900, Ch. 399 the tax limit fixed by the Act of 1885 was raised from \$9 to \$10.50 in the thousand of the average

valuation for the preceding three years. When this Act was before the Legislature its advocates promised that many expenditures, on the border line between the permanent and the temporary, would, if the tax rate were increased, be defrayed in the future from taxes and not from loans. This promise has not been kept; and expenditures of this class are still being defrayed from the proceeds of borrowed money.

The power given to the Mayor and City Treasurer by St. 1895, Ch. 471, and St. 1902, Ch. 622, to fix the term of City bonds has not been exercised with sufficient care to prevent the issue of bonds having longer time to run than the life of the work to pay for which they are issued. A step in the right direction has been taken by the present administration in reducing the term of street improvement bonds from twenty to fifteen years; but even fifteen years is, in the opinion of the Commission, too long for paving loans, and the terms of City bonds are still, in general, longer than sound financial methods would suggest.

III. THE LOAN ORDER OF JULY 26, 1907.

As illustrations of the reckless manner in which money is borrowed by the City Government the Commission calls attention to the several items in the order for a loan of \$1,564,500 approved July 26, 1907, of which \$335,000 has been issued to date.

BATH DEPARTMENT.

1. Bathhouse, Tenean Beach	\$5,000
2. Bathhouse, Charlestown	30,000
3. Bathing Establishment, Ward 15, completion of..	25,000
4. Bathhouse, Dewey Beach	2,000
	<hr/>
	\$62,000

The policy of the Trustees of the Bath Department is to establish summer bathing places and bathing establishments open the entire year in such locations as will serve the greatest number of persons in all sections of the City, and accordingly it has sought to establish one large plant in each section of the City rather than many small ones. There is no doubt

that this policy is better calculated to serve the interests of the whole public at less cost than any policy framed for political purposes under sectional pressure. Not only was the policy of the Trustees not carried out in the loan bill, but the very policy it disapproves was adopted. The Trustees do not approve any of the above items, they were not consulted by the City Council, or by any City official, and the Chairman stated that if the Trustees had been consulted they would have protested against every item. The Trustees stated to this Commission that the immediate necessities of the Department are as follows:

"1st. The gymnasium building on Paris Street, East Boston, should be rebuilt at once. This is an old wooden structure which serves a wide section of the city and is largely used.

"2nd. A sufficient amount should be appropriated to properly complete the bathhouse and gymnasium now being erected on North Bennet Street.

"3rd. Each year a new floating bathhouse should be built, as the present houses are so old that it is expensive and almost impossible to keep them in repair."

The objections of the Trustees to the several items are as follows:

- | | |
|-----------------------------|------------|
| 1. Bathhouse, Tenean Beach, | \$5,000.00 |
|-----------------------------|------------|

Such a small bathing place is not consistent with the general scheme of the department. The cost of maintenance, estimated at \$2000 a year, will not secure as good results as would the same amount of money expended in the larger establishments.

- | | |
|----------------------------|-------------|
| 2. Bathhouse, Charlestown, | \$30,000.00 |
|----------------------------|-------------|

The amount is insufficient to supply the needs of this district. A bathhouse, to be open the entire year similar to those in Roxbury and on Dover Street, should be established in Charlestown, but the amount required would be \$120,000, and the City's experience in the cases of the Ward 15 bathing establishment and the North Bennet Street bathhouse should serve as a warning against undertaking such works upon ap-

propriations insufficient to insure their completion.

3. Bathing Establishment, Ward 15,

\$25,000

The amount is not sufficient, for \$80,000 would be required to complete the establishment. In 1898 there was appropriated \$12,500, of which \$11,652 has been expended. For this the land has been acquired, the excavation made and foundations laid. The firm of architects which drew the plans collected a fee of five per cent. for all services, including a percentage for construction, but no construction work has been done and the firm has since gone out of existence. No work has been done upon this establishment since 1899, and the Chairman of the Board of Trustees states that the sum of \$6915, which was spent in excavation and foundations, has been practically wasted, as the work will have to be done all over again.

Two loans have since been authorized, one of twenty thousand dollars in 1902, and one for five thousand dollars in 1905, but no bonds were issued in either case. If the entire amount now available were to be spent, without the certain knowledge that sufficient additional money would be appropriated to complete the undertaking, there would be danger of a repetition of the waste already suffered.

The situation at the North Bennet Street Bathhouse at the North End, now in process of construction, furnishes another illustration of the evil of starting the erection of any public building without appropriating sufficient money to carry the work to completion. The general contract for this building was let without provision being made for electric wiring, plumbing, and heating. The Trustees state that they have just enough money for the plumbing, but no money for the wiring and heating. Unless money is appropriated soon for the wiring and heating, the general contractor will complete his work, and when the wiring and heating apparatus is put in later it will be excessively costly, as it will be necessary to tear out a great deal of the work previously done.

A loan bill, which is now pending in the City Council, for the completion of the North Bennet Street bathhouse should be passed promptly and the contracts for the remaining work

should be prepared at once.

4. Bathhouse, Dewey Beach,

\$2,000

The Chairman of the Board of Trustees stated that he did not know what this item was for and that the money could only add a few lockers and clean up the beach, which objects should be provided for, if at all, out of the maintenance fund and not by loans. The Trustees recommend that the money be devoted to some other purpose.

The Finance Commission believes that none of the moneys appropriated for the Bath Department by the loan bill of July 26, 1907, should be expended at the present time. It is apparent that the money was appropriated without the careful consideration of the financial condition of the City or the needs of the department, in fact without consultation with those in charge of the department.

Since August 27th last, when the Commission sent an official communication to the Mayor and City Council on the subject of this loan bill, \$5000 of bonds have been issued on the Tenean Beach item, of which \$3000 has been spent, and \$2000 has been raised on the Dewey Beach item, of which nothing has been spent.

The Commission recommends that no bonds be issued for the bathhouse at Charlestown for the bathing establishment in Ward 15, and that the money available for the Tenean Beach and Dewey Beach items be devoted to other objects. After the immediate necessities of the Bath Department as above stated are provided for, and as soon as the financial condition of the City warrants the appropriation of sufficient money to complete the bathing establishments in Charlestown and Ward 15, these works should be undertaken.

CEMETERY DEPARTMENT.

Mount Hope Cemetery, enlargement	\$40,000
Evergreen Cemetery, enlargement	40,000
Dorchester North Burying Ground, stone wall and fence....	6,000

\$86,000

The Commission, on September 12th last, sent to the Mayor

an official communication, in which it protested against the purchase of any land for the enlargement of Evergreen Cemetery and against the purchase of land for the enlargement of Mount Hope Cemetery at the price asked by the owners.

The Commission renews the recommendations contained in that communication.

As to the remaining item of \$6,000 for a stone wall and fence at Dorchester North Burying Ground, the Commission thinks the work should be paid for from the tax levy and not from money raised by loan.

BRIDGE DEPARTMENT.

Mount Washington Avenue Bridge, reconstruction, \$60,000

This bridge, which formerly crossed Fort Point Channel opposite the present South Terminal Station, has been closed for five years, and for a long period prior to its closing it was in bad condition owing to the failure to make necessary repairs. The Superintendent of Bridges was not consulted by the Finance Committee of the City Council or by any city official as to the advisability of reconstructing it, and he is opposed to the undertaking. The City Engineer thinks the \$60,000 appropriated in the loan bill would be insufficient to rebuild it properly, and that from \$30,000 to \$40,000 additional would be required to put it in a satisfactory condition. It would seem better to abolish this bridge now than to allow it to remain as it is with the idea of rebuilding it at some future time, but at all events, the Commission is strongly of the opinion that it should not be rebuilt until certain other bridges now in use are put in a safe condition for the immense traffic they bear. The City Engineer states that a number of bridges now in use are dangerous, which should be put in safe condition for travel before any money is spent to re-open the Mount Washington Avenue bridge. He says the Boylston Street bridge over the Boston & Albany R. R. is the one which should receive immediate attention. Its condition was so bad as to require it to be closed recently to the great inconvenience of many people, and although the street railway cars pass over it

now, it is closed to all other vehicles and will practically remain so until a special appropriation is made to re-open it. To put this bridge in good condition, \$60,000 will be required, and as Boylston Street is one of our main thoroughfares there is no doubt that this project should have precedence over the Mount Washington Avenue bridge, which at most would serve a very small number of citizens.

THE CONSUMPTIVES' HOSPITAL DEPARTMENT.

The Consumptives' Hospital, buildings and equipment, \$140,000

The Commission heard the Chairman of the Board of Trustees, who had previously explained to the Finance Committee of the City Council the necessity for this appropriation. He explained to the Commission in detail the plans and estimates of cost of this work in an entirely satisfactory manner, and the Commission recommends the expenditure of the amount appropriated.

FIRE DEPARTMENT.

1. Landing for fireboat and quarters for men	\$10,000
2. New fireboat	75,000
3. Ladder 1 house, rebuilding	8,000
4. Engine 6 house, addition	6,000
5. Engine 7 house, addition	2,000
6. Engine 29, Ladder 11 house, alterations	4,000
7. House and apparatus, Parker Hill	15,000
8. House, land and apparatus, Forest Hills	80,000
9. House, land and apparatus, Orient Heights	15,000
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	\$165,000

Of these nine items, seven were recommended by the Fire Commissioner to the Mayor and City Council, and two, viz.: the Parker Hill and Orient Heights items, were not recommended.

The Commission concurs in the recommendations of the Fire Commissioner as to items 1, 2, 3, and 4, believing that they are works of immediate necessity and of a character appropriate for loans. The fire boat should be provided as quickly as possible in order to give the City's water front the

protection it requires. The Commission believes that the work contemplated in items 5 and 6, although necessary, is more in the nature of alteration and repairs than construction and consequently should not be provided for by loan.

Item number 7, house and apparatus at Parker Hill, the Fire Commissioner did not recommend to the Mayor or the City Council and does not approve, as he believes the top of a hill is not a good place for an engine house. He approves an alternative plan of putting in the high service water system on the hill, which would give adequate fire protection, and though more costly in the first instance, would be more economical in the end, for there would be no cost of maintenance, as in the case of an engine house. The Commissioner's opinion was given at a time when he believed that the engine house, if installed, would be built on land owned by the City, and his original condemnation is now made stronger by reason of the fact that the cost is to be increased by the purchase of land for this purpose.

Acting under directions from the Mayor, he has recently advertised for proposals for the purchase of land under specifications drawn by a real estate agent appointed by the Mayor, and eleven offers have been made by owners of lots varying in size at prices ranging from \$1468 to \$6778. Because of the purchase of land, the amount appropriated will not be sufficient to provide an engine house and apparatus such as were first contemplated. The loan is for "house and apparatus" and not for land, and consequently it would appear to be illegal to expend any of the money for land. The Fire Commissioner has evidently made a careful study of this subject, and the Commission concurs in his opinion that a high service water system is the best solution of this problem and that the installation of an engine house and apparatus would be extravagant.

Item No. 8, house, land and apparatus at Forest Hills, was recommended to the Mayor and the City Council, and the Commission believes the neighborhood of Forest Hills should have better fire protection than is afforded at present. The Fire Commissioner in an official communication to the Mayor, dated August 7, 1907, expressed the opinion that the price

asked by the owner of the lot at the junction of Walk Hill Street and Hyde Park Avenue, \$1.25 per foot, seemed to be too much, although he favored the location, and the Commission concurs in the opinion that the price is too high. The first negotiations with the owner of this lot occurred after the passage of the loan bill, and since then the owner has informed the Commission he would prefer to have the land taken by right of eminent domain to selling it by private treaty. The Commission believes it better to wait until the necessary legislative authority is procured to take the land by eminent domain, or to buy other and cheaper land in the vicinity.

Item No. 9, house, land and apparatus at Orient Heights, was not recommended by the Fire Commissioner and he does not approve it. He advises instead that another chemical engine be purchased and placed in the house of Engine 11, which would require an outlay of only \$6000. This addition to the existing facilities would furnish sufficient protection for the present and the immediate future.

INSANE HOSPITAL DEPARTMENT.

Boston Insane Hospital, land and buildings,

\$125,000

The Trustees asked the City Council for \$175,000 for additional land and buildings and \$125,000 was voted. The lot which the Trustees proposed to purchase contains 1,286,384 square feet and is assessed for \$19,300.00, which is at the rate of 1 1-2 cents per foot. The Trustees say that the owner asks 10 cents per foot, which would amount to \$128,638.40. An expert employed by Mayor Collins in 1902 estimated the value to be between 3 and 3 1-2 cents per foot, and an expert employed by the Hospital Trustees appraised it in March, 1907, at between 6 and 7 cents per foot. There is no evidence that this land or land in its vicinity has appreciated in value since 1902, when Mayor Collins' expert appraised it, and in the opinion of the Commission its value now is substantially what it was at that period. A piece of land immediately adjoining the lot in question, containing 470,442 square feet, was sold on the 12th day of December, 1906, for \$7,056.63, which is at

the rate of 11-2 cents per foot. It was assessed for \$8,000, or at the rate of 17-10 cents per foot, but at public auction it brought about 12 per cent. below its assessed value, notwithstanding the fact that the sale was advertised in one weekly and five daily papers and also by circulars and posters. If there were a necessity for the acquisition of any land, its purchase at a price nearly seven times its assessed value could not be justified; but in this case there is not only no apparent necessity for the purchase, but on the contrary, its expediency is extremely doubtful. The project should be at least postponed, if not finally dismissed.

A study of the receipts and expenditures of the institution makes it apparent that if the City should issue bonds in this case it would be simply borrowing money for the privilege of maintaining this institution at a loss.

Under Chapter 451, of the Acts of 1900, all local institutions for the care of the insane were placed under the jurisdiction of the State. The hospitals established or to be established and maintained in the City of Boston, and all insane persons who have a settlement in Boston, were excepted from the operation of the Act. The Act provided that the State should allow the City of Boston \$3.25 per week for each free patient treated in the Boston Insane Hospital. There are about 1,800 insane persons who are entitled to be cared for in this Hospital, of whom about 700 on an average are so taken care of, the rest being provided for in the various State institutions. The only reason of importance which was suggested in defence of the proposed extension was that it would give the people of Boston a better opportunity to visit their friends and relatives at this institution than would be afforded if the increased number of patients expected in the future were to be confined in the various State institutions. It is apparent, however, that the number of persons who could exercise this privilege would be relatively small, for the Superintendent of the Boston Insane Hospital testified that it was never contemplated by the Trustees that the City would ever increase its accommodations sufficiently to take care of all its insane, but that the State would always be obliged to provide for a large excess in its own institutions.

The cost to the City of Boston for the maintenance of its insane hospital is at the rate of \$4.40 per week per patient, which, deducting the \$3.25 allowed by the State, leaves a loss of \$1.15 per week per patient. This estimate of \$4.40 per week does not include any charge for capital account, or interest, or depreciation of plant. The interest alone on the debt outstanding for the construction of the hospital is \$28,502 per year. This charge adds a cost of 77 cents per week per patient, which would bring the total loss per patient up to \$1.92 per week, or about \$70,000 a year.

In view of all the circumstances of the case, the Commission believes the City would not be warranted in purchasing any additional land for this purpose at any price whatever until the question of transferring the care of its insane to the State is decided in the negative, and then not until the City's financial condition will justify the expenditure. If at such later time it is considered expedient to make the proposed enlargement, the land should be acquired by private treaty at a cost not exceeding 25 per cent. of its assessed value, or taken by right of eminent domain.

PARK DEPARTMENT.

1. Charlestown playground, gymnastic apparatus	\$3,000
2. Charlesbank, addition to building and shower baths....	5,000
3. Playgrounds, Ward 13	25,000
4. First street playground, lockers and gymnastic apparatus	4,500
5. Playground, Ward 17	80,000
6. Playground, Parker Hill	60,000
7. Savin Hill Park	35,000
8. Savin Hill playground, grading and improving	5,000
9. Franklin Field, locker buildings	25,000
10. Rogers Park, enlargement of	30,000
11. Removal of wall, Seaver street side of Franklin Park..	5,000
12. Marcella street playground, gymnastic apparatus and shower baths	4,500
13. Cottage street playground, gymnastic apparatus, lockers and improving grounds	5,000
	<hr/>
	\$287,000

The Chairman of the Board of Park Commissioners stated that they had not recommended that money be borrowed for any one of the thirteen items in the loan bill. In view of the financial condition of the City they believed that they were

not warranted in asking money for any new projects.

Their position as to the several items is as follows:—

They approve items 1, 4, 6, 7, 8, 9, and 12; they oppose item 2, believing the addition to be unnecessary; they oppose item 3, on the ground that other parts of the City need playgrounds more than this section; they oppose item 6, believing that a playground on a hill is not sufficiently accessible, but they have advertised for land for this purpose at the Mayor's direction. They oppose item 13, as they do not approve spending the money for the purposes enumerated in the item. Items 10 and 11 were vetoed by the Mayor.

The Finance Commission concurs in the opinion of the Park Commissioners as to items 2, 3, 6 and 13, and recommends that they be rejected.

The Commission believes that the objects provided for in items 1, 4, 12 and 13, though approved by the Park Commissioners are temporary and perishable in their nature, and should be provided for, if at all, from taxes and not by loans. It is unwise to borrow money on twenty-year bonds for apparatus which will undoubtedly disappear in use long before the maturity of the loan.

The Commission sees no objection to items 5, 7, 8 and 9. If the Park Commissioners find the price of land for items 5 and 7 too high, they have power to take it by eminent domain.

PUBLIC GROUNDS DEPARTMENT.

Independence Square, new walks	\$10,000
Boston Common, parade ground, grading and lockers	12,000
Franklin Square, sand gardens and gymnastic apparatus....	2,500
	<hr/>
	\$24,500

No recommendation was made to the City Council by the Superintendent of the Public Grounds Department for any of these items, and the Commission believes that none of these objects should be provided for by loan. The Superintendent stated that if granolithic walks are placed around Independence Square that will be enough for the present, as the gravel cross walks are in sufficiently good repair. This will cost, he says, about \$5,500. He would like the \$12,000 for regrading on the

Common along lines suggested by him and approved by Frederick Law Olmstead, Jr. He thinks \$500 sufficient for a sand garden at Franklin Square. He states that he has asked for substantially these amounts for these objects to be paid for out of the maintenance fund and that if an appropriation of \$18,000 is made from the tax levy it will answer department needs in these particulars.

STREET DEPARTMENT.

Street Department,

\$400,000

This item is to provide for paving and other street work, necessary in itself, but more properly chargeable, in great part at least, to the annual tax levy.

The Superintendent of Streets informed the Commission that in his opinion at least one-third of the work which this loan was being used for was for current repairs. The Mayor has, however, certified, under St. 1891, Ch. 206, that the loan is not for a current expense.

Three hundred thousand dollars of this item has already been issued. The Commission believes that the remaining \$100,000 should not be issued, and that this sum can be secured from the tax levy for the current year by the introduction of economies throughout the departments.

The Commission believes, upon the basis of figures furnished by the Superintendent, that the average life of a street pavement in this City is not much above ten years. It, therefore, recommends that if any bonds for this purpose are hereafter issued they should run for ten years at the longest.

STREET LAYING OUT DEPARTMENT.

Highways, Making of,

\$250,000

The Chairman of the Board of Street Commissioners explained that the greater part of this amount is required for the payment of executions, the cost of carrying out certain orders of Court, and for land damages awarded, or to be awarded, and that only about \$33,000 will be available for the construction of new streets.

The Commission sees no objection to the appropriation.

IV. RECOMMENDATIONS.

The Commission recommends:

1. That all future loans for pavements and street construction be limited to ten years.
2. That, as suggested in the Commission's report of August 27, 1907, no land be acquired by private treaty at more than 25 per cent. in excess of the Assessors' valuation, and that the Legislature be asked to authorize the City, under proper restrictions, to acquire land by eminent domain for any public use.
3. That before any loan bill is passed by the City Council the opinion in writing of the head of each department interested be obtained.
4. The immediate repeal of the items in the loan bill of July 26, 1907, obnoxious to the foregoing criticisms. These items, so far as they have not been issued, amount to \$536,000.

Respectfully submitted,

FINANCE COMMISSION,
By NATHAN MATTHEWS,
Chairman.

APPENDIX A—GENERAL STATISTICS.

Year.	Population.	Valuation for the Year.	The Annual Taxes.	
		including supplementary assessments.	The Warrant.	The Rate.
1885	390,393	\$685,592,472	\$8,999,648.13	\$12.80
1890	448,477	822,431,800	11,187,692.44	13.30
1895	496,920	951,738,728	12,459,772.38	12.80
1900	560,892	1,129,787,032	16,928,136.83	14.70
1905	595,380	1,260,908,081	20,532,031.38	16.90
1907	609,761	1,313,470,556*	21,254,223.84	15.90

*Original

	Net Debt at Beginning of Fiscal Year.		
	Net City and County Debt.	City's Share of Metropolitan Debt.	Total.
1885	\$24,753,949.34		\$24,753,949.34
1890	30,120,655.33	528,095.21	30,648,750.54
1895	37,131,423.73	2,286,842.47	39,418,266.20
1900	58,333,337.59	21,687,573.18	80,020,910.77
1905	62,427,219.12	38,096,539.24	100,523,758.36
1907	68,821,359.41	37,967,986.92	106,789,346.33

The General State Debt.			
	Amount.	*City's %	City's Share.
1885	\$13,900,075.20	38.537%	\$5,356,671.98
1890	6,509,716.27	36.901	2,402,150.40
1895	7,258,077.76	35.928	2,607,681.90
1900	16,472,399.72	35.778	5,893,462.36
1905	15,047,441.85	36.005	5,417,831.13
1907	14,415,445.37	35.097	5,059,388.73

*Based on the City's share of State tax for the year.

Boston's Total Net Debt—City, County, Metropolitan and State.			
	Amount.	Per Cap.	% of Val.
1885	\$30,110,621.32	\$77.13	4.39
1890	33,050,900.94	73.70	4.02
1895	42,025,948.10	84.57	4.42
1900	85,914,373.13	153.17	7.60
1905	106,941,589.49	177.94	8.40
1907	111,848,735.06	183.43	8.51

APPENDIX B.

Percent. of Increase.			
	Between 1885 and 1895.	Between 1895 and 1907.	
Population	27.29	22.71	
Valuation	38.82	38.01	
Net Debt, actual	39.57	166.14	
Net Debt, per capita	9.65	116.90	
Net Debt % of valuation....	0.68	92.53	

[To be inserted at the bottom of page 120 following Appendix B.]

Total Net Debt of Boston — City, County and Metropolitan.			
	Amount.	Per Cap.	% of Val.
1885	\$24,752,949.34	\$63.41	3.01
1890	30,648,750.54	68.34	3.73
1895	39,418,266.20	79.33	4.14
1900	80,020,910.77	142.67	7.08
1905	100,523,758.36	168.83	7.97
1907	106,789,346.33	175.13	8.13

Per cent. of Increase.			
	Between 1885 and 1895.	Between 1895 and 1907.	
Population	27.29	22.71	
Valuation	38.82	38.01	
Net Debt, actual	59.24	170.91	
Net Debt, per capita	25.11	120.76	
Net Debt, % of valuation	14.68	96.38	

COMMUNICATION TO THE MAYOR RELATING TO
CERTAIN CONTRACTS FOR NORTH RIVER
FLAGGING.

December 6, 1907.

Honorable John F. Fitzgerald,
Mayor of Boston,
City Hall, Boston, Mass.

Sir:—The Finance Commission desires to call your attention to certain contracts for North River flagstones made through the Supply Department with Maher Bros. on various dates between August 1, 1906, and April 9, 1907.

Prior to the former date, this stone had been purchased from a reputable firm under a contract originally entered into in 1903, and a uniform price had been paid of 33 1-2 cents a square foot or 87 cents a linear foot, each linear foot being equal to two square feet.

Soon after the establishment of the Supply Department in 1906 dealings with this firm were suspended, notwithstanding its willingness and ability to continue to sell the stone at the same price, and the business was given without competition to the firm of Maher Bros. at 67 cents per square foot, which is equivalent to \$1.34 per linear foot. Five contracts have been made with Maher Bros. at this price, and the City has already paid nearly \$28,000 to them at double the price it would have paid if it had continued to buy of the other dealer.

This transaction was accompanied by circumstances of a suspicious character; but on any theory the doubling of the price without competition or excuse was a most reprehensible act on the part of the City officials and the City has already paid on the contracts with Maher Bros. about \$14,000 in excess of a fair price.

As 18,800 square feet are still undelivered under the contracts which the City is under no legal obligation to take, we recommend that no more stone be ordered under these contracts. If this recommendation is followed, more than \$5,000 will be saved by the City. When the supply for 1908 is contracted for it should be only after a public and genuine com-

petition.

Respectfully submitted,
THE FINANCE COMMISSION,
NATHAN MATTHEWS,
Chairman.

COMMUNICATION TO THE MAYOR RELATING TO
CONTRACTS ENTERED INTO IN THE CLOSING
DAYS OF THE ADMINISTRATION.

December 13, 1907.

Hon. John F. Fitzgerald, Mayor,
City Hall,
Boston, Mass.

Sir :—The Commission is making an inquiry into the matter of street lighting and contracts therefor, also into the purchase of various supplies by the several departments, especially by the Supply Department, and hopes soon to be able to offer suggestions as to these contracts and as to prices and methods of purchase.

An investigation of the large construction departments, having to do with sewers, paving and water is nearing completion and the Commission expects to be able to submit some plans whereby economies may be effected.

The Commission is also making an inquiry into the question of the values of the market leases. It is informed that as yet no leases have been signed.

With these facts in mind, the Commission respectfully suggests that no leases be made, and no contracts entered into by any department for work, supplies or services, other than those of a temporary character, and none which will commit the City beyond the end of the present financial year.

In the closing months of previous outgoing administrations it has happened that purchases have been made and contracts entered into which were the subject of serious criticism on the ground that the responsibility for such undertakings properly belonged to the incoming administration.

That no similar criticism may be invited at this time, seems to be an additional reason for the recommendation which the Commission makes.

Respectfully submitted,

THE FINANCE COMMISSION,

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING TO
RECENT INCREASES OF SALARY IN THE
BRIDGE DEPARTMENT.

December 17, 1907.

Hon. John F. Fitzgerald, Mayor,
City Hall,
Boston, Mass.

Sir:—The Finance Commission is informed that on Friday last at the request of the Superintendent of Bridges, with the approval of Your Honor, the pay of 117 employees in the Bridge Department was increased at a cost to the City of \$11,650 per annum. Although the action was not taken until December 13th, the increase of pay was made to take effect December 6th. The Superintendent of Bridges has stated to the Commission that an increase was asked by the men in July last, and since has been urged, from time to time, but although hope was held out that it might be granted later, no definite action was taken. About two weeks prior to the recent municipal election a request for an increase was again made by the men. The Superintendent says that he declined to make the increase at that time, but he gave an absolute promise that it should be made immediately after election. The recent increase was made three days after the election in compliance with this promise.

If the increase was a proper one, it should have been made in July when first requested, or, if deferred until December, the fact that it was then promised should have been publicly stated. The public had a right to know the facts.

It is to be further noted that when this increase was made it was well known that the Bridge Department would exceed its appropriation for the current fiscal year by about \$2,400 and this increase will bring the deficit to about \$4,000, unless relief is had by transfer of funds from the appropriation of some other department.

The reason given by the Superintendent for the advance in salaries is that there has been an increase in the cost of living since the present scale of salaries in this department was fixed. To carry this reasoning to its logical conclusion would

require an increase in the compensation of most of the employees of the City from the Mayor down, which would result in placing upon the tax-payers a new burden of tremendous weight.

The financial condition of the City is worse than it was on January 1, 1906, when Your Honor in a circular letter addressed to the heads of the several City departments directed that the salaries and wages which had been increased by order of your immediate predecessor, the then Acting Mayor, be reduced to the amounts which had previously prevailed and on January 8, 1906, when Your Honor in another circular letter to the department heads directed them to state to those employees whose compensation had been increased that "the state of the City's finances has not permitted, and does not now permit of increases in salary." The Commission commends the sentiments expressed in these circulars and believes them to be peculiarly applicable to increases in salaries made immediately after an election in fulfillment of secret promises made immediately before.

The Commission recommends that the order granting the increase of salaries in the Bridge Department be rescinded and that all questions of wages and salaries be decided by the incoming administration which will have to furnish the money to meet the charges.

Copies of the circular letters above referred to are appended hereto.

Respectfully submitted,

THE FINANCE COMMISSION,

By JOHN A. SULLIVAN,

Acting Chairman.

COPY

CIRCULAR 1

**MAYOR'S OFFICE
BOSTON, MASSACHUSETTS.**

January 1, 1906.

To the Heads of Departments:—

You are hereby instructed to place the salaries or wages of employees in your Department at the same amounts as they were September 16th, 1905. If any salaries or wages have been increased since that date, please reduce such salaries or wages to the amounts which prevailed on that date.

This order to take effect January 1st, 1906.

Respectfully,

(Signed) John F. Fitzgerald,
Mayor

COPY

CIRCULAR 3

**MAYOR'S OFFICE
BOSTON, MASSACHUSETTS.**

January 8, 1906.

To the Heads of Departments:—

Your attention is called to the provisions of Section 1 of Chapter 314 of the Acts of 1904, which provides that the compensation of employees classified under the civil service rules of the Commonwealth cannot be lowered "except for just cause and for reasons specifically given in writing."

As every such employee must be notified of the proposed action and furnished with a copy of the reasons for the reduction in compensation, and, if he so requests in writing, be given a hearing, you are hereby directed to serve written notice upon any employees classified under the civil service rules whose salaries have been increased since September 16, 1905, and whose salaries you were directed in Circular No. 1

to reduce to the figures at which they stood on said date of September 16th, that such reduction of compensation is made by you for the reason that the state of the City's finances has not permitted, and does not now permit, of increases in salary. If any employee in your Department affected by this action requests a hearing, you are directed to give him such hearing, as required under said statute, and to notify me of such action.

Yours respectfully,

(Signed) John F. Fitzgerald,
Mayor

COMMUNICATION TO THE CITY COUNCIL RE-
LATING TO THE MARKET LEASES.

December 20, 1907.

To the Honorable the City Council:

Gentlemen:—The Finance Commission is informed that the question of renewing the market leases is pending, and that the report of your joint committee on markets is to be presented on Monday, December 23rd. The Commission in a recent communication to his honor the Mayor called attention to an inquiry which it is making into the value of these leases, and requested that no action be taken thereon until its investigation could be completed.

The Commission respectfully makes a similar request of your honorable body.

Very truly yours,

THE FINANCE COMMISSION,

NATHAN MATTHEWS,

Chairman.

STATEMENT RELATING TO PROPOSED TEMPOR-
ARY LOAN.

December 21, 1907.

On Friday the Finance Commission was visited by Alderman Bangs and Alderman Bell in reference to the proposed temporary loan of \$2,000,000. After conference with the City Auditor, and upon further consideration of the subject, the Commission decided that there was no reason to object to the passage of the order in question; and so informed the aldermen.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL RELATING TO INCREASES OF SALARY AT OR ABOUT ELECTION TIME, AND TO THE LAWS AND ORDINANCES PROHIBITING THE HEADS OF DEPARTMENTS FROM EXCEEDING THEIR APPROPRIATIONS.

December 21, 1907.

To the Honorable the Mayor and City Council:

Gentlemen:—On December 13th the Finance Commission called the attention of the Mayor to certain inquiries which it is conducting in relation to contracts and purchases in the several departments, and to the fact that in the closing months of previous out-going administrations purchases had been made and contracts entered into which had been the subject of criticism on the ground that the responsibility for such undertakings properly belonged to the in-coming administration. The Commission suggested that no leases be made and no contracts be entered into by any department for work, supplies, or services other than those of a temporary character, and none which would commit the City beyond the end of the present fiscal year.

On December 17th the Commission addressed a further communication to the Mayor in reference to the increase in salary recently ordered for 117 employees in the Bridge Department, made at a cost to the City of about \$11,650 per annum. This increase was promised immediately prior to the recent election, and was made immediately after election in pursuance of this promise.

Since the date of this last communication, the Commission has learned that the salaries or wages of 190 other City employees have been raised since October 1st last at an annual cost to the City of over \$28,000. Many other increases in salaries and wages were made earlier in the year.

The Commission also learns that at the close of the present fiscal year, January 31, 1908, there will in all probability be a large deficit for the first time in many years. The City Auditor states that the expenditures of many of the City departments will exceed the appropriations duly voted for them,

and he estimates these deficits approximately as follows: Street Department, \$60,000; Ferry Division, \$30,000; Sewer Department, \$30,000; Fire Department, \$42,000; Bath Department, \$7,500; Water Department, \$55,000; Sanitary Department, \$36,000; Bridge Department, \$4,000; Building Department, \$6,400; Election Department, \$5,000; Insane Hospital Department, \$5,600; Lamp Department, \$10,000; Printing Department, \$10,000; Public Buildings Department, \$10,000; County of Suffolk, \$50,000. As against these deficits, aggregating approximately \$369,000, he estimates that unexpended balances will be turned in by other departments to the amount of about \$150,000; leaving a net deficit of over \$200,000.

It is important to note that this deficit is in no sense due to the slowness with which the taxes for the current year are coming in, but represents simply the amount by which the expenditures of the various executive departments of the City government have exceeded the appropriations voted to them by the City Council.

This excess expenditure has been incurred in direct violation of both the ordinances of the City and the statutes of the Commonwealth. The Charter Amendments of 1885, Chap. 266, provide in Section 6 that

"No expenditure shall be made or liability incurred for any purpose beyond the appropriation duly made therefor;"

and the Revised Ordinances of the City, Chap. 2, Sec. 25, provide that

"No officer in charge of a department, unless specially authorized thereto by statute, shall make any expenditure, or incur any liability, on behalf of the city, for any purpose, until an appropriation sufficient to meet such expenditure or liability, together with all other expenditures and liabilities properly chargeable to such appropriation, has been made therefor; nor shall he exceed any appropriation made for his department."

These provisions of law have been systematically violated by many heads of departments during the present year; and one of the chief means in bringing about this illegal deficit

has been the increase in salaries.

Such increases are particularly reprehensible when made at or about election time under circumstances which indicate a political purpose. The practice of utilizing the money in the public treasury, which is drawn from the tax-payers generally, irrespective of party, for the purpose of returning to office the party then in power is one which deserves the severest condemnation. This practice has grown rapidly in this City in recent years and now exists to an alarming extent. In the period between October 1st and December 15th, 1904, a year in which no mayoralty election was held, there were 17 increases in salary; in the corresponding period in 1906, there were 100 increases; but in the same period in the mayoralty election years of 1905 and 1907 the increases were 129 and 307 respectively. Salary increases of this sort are little better than campaign contributions from the city treasury, which, unless rescinded, become annuities.

The Finance Commission also desires to direct attention to the fact that the money available for the current expenses of the ensuing fiscal year will be much less than that for 1907-8, unless there is considerable increase in the tax rate. On February 1, 1907, there were left over from the operations of the preceding fiscal year unexpended balances amounting to \$515,039.32, which sum was available, and was used, for the appropriations of the current fiscal year. On February 1, 1908, partly as the result of the extravagant and illegal expenditures of the present year, there will, in all probability, not only be no surplus brought over from the present fiscal year, but, as already noted, there will probably be a deficit of over \$200,000. In addition to this, the amount available from the tax levy for the general department expenses will, owing to the operation of the School Law, be about \$75,000 less than it was this year. The result is that the incoming administration will have nearly \$800,000 less money to appropriate and spend for ordinary department purposes than was available for the current year.

Every reason, therefore, points to the propriety of immediately cancelling all the recent increases in salaries; and the Finance Commission again recommends that this course be

taken.

The Commission also suggests the propriety of petitioning the Legislature for the passage of a law which shall prohibit increases in salaries or wages except at the beginning of the fiscal year, and which shall make it a criminal offence for any head of a department, intentionally, to permit the expenditures of his department to exceed the appropriations duly voted for the purpose, except in case of extreme emergency. Such a law will make it easier for department heads to resist political pressure and importunities.

Very truly yours,

THE FINANCE COMMISSION,

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE HOSPITAL FOR
THE INSANE POOR.

December 27, 1907.

TO THE HONORABLE, THE MAYOR AND CITY COUNCIL:

GENTLEMEN:—In the communication of November 29, 1907, relating to the city debt and loan order of July 26, 1907, the Finance Commission called attention to the relations between the City and the Commonwealth with respect to the care of the insane, stating its belief that the City would not be warranted in purchasing additional land until the question of transferring the care of the insane to the State is decided.

A further investigation of this subject leads the Commission to believe that the best interests of the City and its insane poor require the transfer of the Boston Insane Hospital to the State.

In 1898 (Chap. 433, Sec. 25, Acts of 1898) the State Board of Insanity was directed to "report to the Legislature such method or methods as in its opinion will most effectually provide for the care and support of the insane poor, who, under existing laws, are cared for by or supported at the expense of the cities and towns of the Commonwealth." In compliance with these instructions, the State Board of Insanity made a report, January 3, 1900, recommending "such legislation as will provide that all insane persons who are now or may hereafter become public charges shall be supported at the expense of the Commonwealth on and after January 1, 1904." Upon this recommendation a bill was presented to the Legislature of 1900 covering the entire State, but by an amendment the Boston Insane Hospital was exempted. Thus, under the provisions of St. 1900, Ch. 451, the State assumed control of all its insane population, except those in the Boston Insane Hospital.

The considerations, which eight years ago convinced the State Board of Insanity that such a complete transfer should be made, are even more operative today.

From a humanitarian point of view, it is clear that each institution for the care of the insane poor in the State should

bear a harmonious relationship to every other, and that they should all be near the centres whence the inmates are drawn, in order that friends may visit with the least possible expenditure of time and money.

At present the State cares for almost two-thirds of the insane of Boston, the City for hardly more than one-third, while between one-third and one-half of the entire insane population of the State comes from the so-called Metropolitan district. Yet the State has no hospital in this district or nearer Boston than Taunton, Worcester and Westboro, except an asylum for chronic cases at Medfield. Today all persons in Boston who become suddenly insane and are so poor that they cannot be cared for at their homes are sent of necessity to the City Prison, the House of Detention, or Deer Island.

At these places they are humanely treated, but the stigma of confinement in penal institutions should be avoided, and better medical care provided at this critical period.

The needs of the present situation are:

1. An emergency hospital within the city;
2. An enlargement of the Boston Insane Hospital to bring back to the city its insane population now scattered in hospitals comparatively distant; and
3. A colony for chronic cases within convenient reach of trolley lines.

The financial conditions of the problem are as follows: Today Boston pays its share, some 37 per cent., of the cost to the State of caring for the insane. In addition, it supports its own hospital. As a partial offset to this double tax on Boston, the State contributes under the provisions of St. 1900, Ch. 451, \$3.25 a week per patient in the Boston Insane Hospital. This represents an antiquated and inadequate computation, the actual cost at the Boston Hospital being about \$4.40 for maintenance alone. In addition, Boston has paid and is paying all capital outlays on this hospital as well as interest thereon, while the insane hospitals for all the other communities are erected, and developed at the expense of the Commonwealth.

In their report of February 1, 1904, the trustees of the Boston Hospital estimated the cost of the plant as \$1,200,000. Now the cost must be about \$1,500,000.

Future capital expenditures for the Boston Hospital must necessarily be a matter of conjecture. For the past three years the average has been about \$75,000. Not less than \$75,000 a year should be spent if even the present fraction of Boston's insane population is to be supported in the Boston Hospital, and for several years the capital outlay may be still larger. The administration buildings are old and may soon have to be replaced with modern structures. Both the women's department and the men's department need enlarging, especially the latter; and if Boston is ever to care for its insane at home instead of distributing nearly two-thirds throughout the Commonwealth, further capital expenditures on a large scale are inevitable.

At the beginning of the current year there were 711 inmates of the Boston Hospital. Now there are 725. The running expenses for 1907-8 will be about \$170,000. In these expenses, repairs and improvements have been cut down to \$10,436.47 against \$24,010.91 spent for these purposes in 1906. In 1906 paying patients contributed \$21,910.99, and in the first eleven months of 1907 they have contributed \$19,358.89. The actual receipts from the State, being the \$3.25 a week above noted, have been \$108,133.07. The care of patients in its own institutions cost the State in 1906 \$4.15 a week. This year the cost will be about \$4.25. The State is able to borrow money at a rate cheaper by 1-4 of 1 per cent. than the City can.

On the basis of these figures, and assuming that the hospital is sold to the State at cost, the following computation may be made of the money which Boston will save:

Running expenses, 1907.....			\$170,646.81
Interest at 4 per cent. on \$1,500,-			
000 invested in plant.....			60,000.00
			<hr/>
			\$230,646.81
Less paying patients say.....		\$22,000.00	
Less above allowance by State..	\$108,133.07		
Boston pays 37 per cent. of this			
allowance	40,009.24	68,123.83	90,123.83
			<hr/>
			\$140,522.98

Interest paid by State at 3 3-4 per cent. on \$1,500,000 to buy plant		\$56,250.00
Cost of say 720 patients at \$4.25	\$159,120.00	
Less paying patients as above..	22,000.00	
	<hr/>	137,120.00
		<hr/>
Boston's share of same (37 1-2 per cent.)		\$193,370.00
		<hr/>
		71,546.90
		<hr/>
Total annual saving in mainten- ance		\$68,986.08
Add annual capital outlay.....	\$75,000.00	
Less Boston's share (37 per cent.) when paid by State....	27,750.00	
	<hr/>	\$47,250.00
		<hr/>
Estimated annual saving to Boston by proposed transfer of ownership		\$116,236.08

Under the transfer of ownership, hereby proposed, the State will be able to formulate a comprehensive plan for the care of the insane. If the State owns the Boston Hospital, there is substantial certainty that Boston patients will be brought nearer to Boston. It will also be taxing Boston no more proportionately than the other cities and towns within its borders.

Boston, on its side, will secure better, because more permanent and systematic, care of its insane; and it will save every year a considerable sum of money.

In the interest of humanity, justice and economy the Commission recommends a petition to the Legislature for the passage of an act transferring to the State upon equitable terms of sale, the Boston Insane Hospital.

Respectfully submitted,

THE FINANCE COMMISSION,
By NATHAN MATTHEWS,
Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE HEALTH
DEPARTMENT.

Boston, January 21, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — The Finance Commission submits herewith a report upon the Department of Health.

The Board of Health is clothed by various laws and ordinances with broad powers for protecting the public health of Boston. These powers extend over food supplies, the places where they are manufactured and sold, over burials, infectious and contagious diseases, sewage, drainage, ventilation, tenement and lodging houses, vessels, including passengers and goods thereon, offensive trades, nuisances and numerous other subjects.

The Board consists of three members appointed by the Mayor for terms of three years, subject to confirmation by the Board of Aldermen. The tenure of all subordinate officers and employees is indeterminate. The Board has the sole power of appointment, except in the case of the secretary, the assistant commissioners and such other cases as involve additions to the force or increases of salary. It has the sole power of removal in all cases.

The civil service laws are applicable to all appointees except the constables, who are bonded officers, the assistant commissioners, the secretary and the medical staff.

The employees in the department number 181. In addition to the Board and the clerical force at the office, there are maintained a medical staff, a bacteriological laboratory, smallpox hospital, a medical force for inspecting schools, five policemen who perform general inspection duty, and the following divisions: sanitary, disinfecting, inspection of pedlars, provisions, and animals intended for slaughter, in-

spection of milk and vinegar, quarantine. At the central office records are kept of the issuance of burial permits, of reports regarding cases of contagious diseases, nuisances, stables, and all action taken thereon, and of all information pertaining to the causes of death. Here also monthly and annual reports are prepared and information and all official and legal notices are distributed.

For the current year the appropriations for the department were \$240,000. It is estimated that the expenditures will exceed this amount some three or four thousand dollars. For the past ten years the expenditures have averaged \$190,334, and the receipts \$9,343. In five of these years the original appropriations were exceeded on account of epidemics.

The department is a compound of efficiency and the reverse, illustrating vividly the difficulty of maintaining a high standard against the sinister influences of politics.

On the one hand, the Finance Commission's expert examiner reports that the books and records are well kept, that the revenues are properly accounted for, that the office force is competent, that all except one secretary are required, and that the methods are well adapted to the system in operation. Many of the inspectors also are excellent men and the various divisions are in many respects well conducted. On the other hand, the efficiency of the department has during the past two years been seriously impaired by political appointments dictated by the Mayor.

The chairman of the Board is a physician who has been connected with the department for thirty-five years, and for thirty-two has been its head. Throughout his long period of service he has labored conscientiously for the department. His two associates, appointed respectively February 27 and July 24, 1906, have done their duty according to their lights, except when political necessity has dictated a different course, but neither had experience in public health administration and neither would have been appointed except for political influences. As each felt himself to be under obligation to the Mayor for his appointment, both joined in the execution

of his commands, often against their own convictions, and on such occasions the chairman was out voted, the result being that the Mayor's political debts were paid and the department's service to the public was impaired.

The Mayor suggested the appointment of two assistant commissioners, which was legally possible outside the civil service rules. All three commissioners opposed such action, but finally, against the adverse vote of the chairman, the two assistants were appointed.

Likewise, against the adverse vote of the chairman, an additional secretary, with a salary of \$3,000, was appointed, who could not retain under the civil service laws a position in the Ferry Department which the Mayor had previously given him.

Two other appointments of a similar nature were a smoke inspector and an additional medical officer, each with a salary of \$1,800 a year.

The Board repeatedly appealed to the Mayor to permit them to remove the smoke inspector, whom they declared to be superfluous and incompetent, but they were told to keep him, and did so, notwithstanding their apprehension of the demoralization which results in a department when a subordinate known to be incompetent is retained in spite of the protests of his superiors.

In addition to these appointments, involving an unnecessary annual expense of \$11,600, the office of dermatologist was created by direction of the Mayor, who insisted that a \$4,000 salary be paid, notwithstanding the protests of all the members of the Board on the ground that the amount was excessive.

Certain divisions of the department have not fared better. In one, political appointments have impaired the service and caused unfortunate friction; in another, an assistant asked for by the head of the division was rejected, and another was appointed for political reasons.

The evils resulting from such intrusion of politics can hardly be overstated. After over a third of a century of service the head of such a department should be able to take pride in its efficiency. But he cannot when unnecessary officials,

one of whom he describes as an "excrescence," are foisted upon him. He appealed repeatedly but unsuccessfully to the Mayor for relief. The public conscience itself becomes warped under such conditions, and thousands grow to believe that city offices are maintained for the favorites who secure them, and not for the service of the community as a whole.

Demoralization has taken various forms. No sanitary inspector has been removed during the past year, though of the force of sixteen, four are admitted by one member of the Board, and six by the other two, to be incompetent. Thus we have an extremely important duty performed in a faulty manner, while money is squandered on unnecessary officials, which should be used for more good inspectors. As there are no rewards for excellence in the department, mediocrity is developed both by the lack of incentive and the absence of fear of removal.

Two members of the Board and the chief of the Milk Bureau admit that two of the three collectors of milk samples are incompetent. Yet they are still retained, though the public health, especially that of infants, depends largely upon the thoroughness of their work.

Political practices are also responsible for the purchase by the department of unnecessary supplies. It has been the custom for many years to use the boats of the department for the entertainment of members of the City Council and their friends. In July, 1907, the Mayor instructed one of his appointees on the Board to order refreshments for friends to whom he had extended the privilege of using the department's boats. The commissioner, thus instructed, ordered liberally for the favored parties, and as a result this department paid for fillet of beef at 75 cents per pound, little neck clams, live lobsters, and fancy steaks. Another commissioner ordered extra provisions, in accordance with an annual custom, for a party of health officials from other cities, but on this occasion the repast was modest. The third commissioner has not ordered entertainment at the city's expense for any person. In July, 1907, the bill of one dealer for provisions for the boat was \$123.61, while his bill for the previous six months when only the crew was supplied

averaged \$22.47, the \$100 excess for which the city was charged being due to the entertainment given to these favored persons.

It was brought to the Commission's attention, while making inquiries relating to the boat service, that the crew is not always permitted to retire when their day's work is done. In August last, during Old Home Week, the Mayor ordered the boat to be used to convey a party of sightseers up the Charles river in the evening, and it was near midnight when the boat was tied up at East Boston. The crew was obliged to rise about three o'clock the next morning in order to get up steam and reach quarantine by sunrise. The incident serves to show a disregard both for the proper use of the city's property and for the rights of city employees.

In the Bureau of Inspection of Milk and Vinegar, systematic prosecutions have been made which have resulted in ridding the city of a large number of dishonest milk dealers. As a consequence the business is now confined to fewer and more reputable men, and protection of the public health has been more fully safeguarded. This result is largely due to the intelligent preparation and presentation of the cases.

In 1905-06, of 358 cases tried at the instance of this department, 350 convictions were secured; in 1906-07, of 312 cases tried, 304 convictions were obtained, and in 1907-08, of 314 tried, 305 convictions resulted. The fines imposed in the three years were \$5,644, \$5,320 and \$4,587 respectively.

The Bacteriological Laboratory appears to be very well conducted.

The department's contracts for repair work are open to criticism. In the rare cases in which competition has been invited it has been private, only a select few being asked over the telephone or by letter to submit bids. In most cases the contracts have been given without any competition or any estimate of the cost of the work.

The contracts given to favorites in this loose manner have been costly to the city. In 1907 certain repairs were necessary and five contractors were selected without competition. The Commission has since employed experts in their several

lines to estimate the proper cost of the work, and their reports show that in four cases out of the five the cost was excessive.

The contractors' bills amounted to . . .	\$3,869 09
The experts' estimates were . . .	2,504 74

It appears that the city paid . . .	\$1,364 35
-------------------------------------	------------

or 54 per cent. above a fair price for this work.

In contrast with these four cases is the fifth, where the expert's estimate was higher than the amount paid to the contractor; but this contractor was selected on the recommendation of the medical examiner, because of the proximity of his place of business, and not for political reasons, as was, the Commission believes, the case in the other instances.

The Commission is not prepared to say that the repairs to the boat "Vigilant" were unnecessary, or that their cost was excessive, as the necessity and value of past repairs on a vessel are difficult to determine, but it invites attention to the fact that this boat, which was bought in 1886 for \$17,500, has since cost the city for repairs the sum of \$57,284.

The department's expenses during the current year show the effects of the political methods already described. Approximately \$244,000 will be the cost of administration, about \$50,000 more than the average of the three preceding years; \$15,000 of this amount was appropriated on account of the increase in contagious diseases. The rest is partly chargeable to necessary purposes. Much of the excess, however, is due to the unwarrantable padding of the department's pay-rolls. For the past two years these have been some \$24,000, or about 20 per cent. greater than the average for the previous three years. In normal years the expenditures of this department should not exceed \$200,000. At present the city does not receive \$240,000 worth of health protection.

In December, 1906, the force of medical inspectors of schools was increased from fifty to eighty. Many of the new appointees are competent, but others are said by the chairman of the Board to be inefficient. A case of neglect to perform the duty required alike by law and good morals

should be brought to the notice of the public. One of these thirty new inspectors of schools was convicted a few days ago, under chapter 480 of the Acts of 1907, for the offence of failing to give immediate notice in writing to the Board of Health of a case of scarlet fever in a boy who attends a school in the North End. He had attended the boy at his home, and had charged the parents \$13 for two visits. His father-in-law, also a physician, had attended the child. Neither reported the case to the Board of Health and both were convicted, the father-in-law paying the minimum fine of \$50, and the medical inspector escaping the penalty by having his case placed on file. As the patient could not be isolated, he and another child and both parents living in one room, fourteen feet long and ten feet wide, in a family tenement house at the North End in which there were living ten families, consisting of thirty-three persons, the enormity of the offence should have been made fully known to the court and exemplary punishment should have been administered. The inspector has resigned, and therefore the health of school children is no longer menaced by his official neglect, but the case serves to show the necessity of rigid examination of the medical inspectors' force. If the case had been of a contagious or infectious disease other than scarlet fever, discovery might not have been made until great havoc had been wrought in this school and throughout the congested district.

With the exceptions already noted the officers and employees of the department appear to be efficient in the administration of the system which has been adopted. The Commission believes, however, that a superior system can be devised, one which will furnish more and better checks on the inspection force and provide greater protection to the public health.

RECOMMENDATIONS.

The Finance Commission recommends that a competitive system, with closer supervision of work performed, be substituted for the present methods of awarding contracts. There should also be more effective checks in the purchase

of supplies. The use of the department's boats and the purchase of provisions at the city's expense for excursion parties should be strictly forbidden.

The secretary, the additional medical officer, the smoke inspector and those of the present sanitary inspectors and milk inspectors who are known to be incompetent should be removed. The number of sanitary inspectors should be increased to twenty-one, as some of the districts are now too large. The new appointees should receive \$1,000 a year, which should be established as the minimum compensation. The work of the entire force should be more carefully supervised than at present. The places of the two assistant commissioners, removed at the beginning of this year, should not be filled; and section 20, chapter 449 of the Acts of 1895, under which their appointments were made, should be repealed.

The dermatologist is a specialist of high repute, but his salary should, as a provisional measure, be not over \$2,500, the volume of business, in the judgment of the Board of Health, not having justified the salary originally agreed upon. The question of employing medical specialists on a salary basis is referred to later.

All officers and employees should be persons whose previous training fits them for the grave obligation of protecting the health of a great city. They should be appointed for indeterminate periods at minimum salaries, the maximum to be attained through efficient service. With a hope of advancement on the one hand, and, on the other, the power of removal exercised whenever just causes arise, the efficiency of the service will inevitably increase. In the reorganization salaries should be readjusted on a more equitable basis. Each head of a division should be held responsible for the work of his subordinates, whom he in turn should select subject to the approval of the commissioner, or with whose selection he should at least be in accord, that he may have the authority which should attend responsibility.

More effective co-operation with the Sewer, Sanitary and Law Departments should be established. The care of public convenience stations (except that in the basement of City

Hall, which should be transferred to the Public Buildings or the City Messenger Department) should be transferred from the Bath Trustees to the Health Department.

If the foregoing recommendations are carried out, this Commission estimates that the efficiency of the department will be increased, while the cost of administration will be reduced at least \$20,000 a year.

The laws should be amended so as to make easier the conviction of dealers who sell "bob" veal, tainted meat or unwholesome provisions. The possession of such articles in a place where they are exposed for sale should be deemed to be *prima facie* evidence of intent to sell the same in violation of law.

A law should be enacted which would give to the officers of the Board of Health authority to enter and inspect the places of business of physicians and other persons who advertise cures for private diseases. All such advertisers should be required to keep true records of the business transacted by them, and such records should be open to the examination of the Board at all times.

All public institutions maintained by the City of Boston and the County of Suffolk, should be inspected from time to time by the Board of Health through paid agents, or, if possible, by volunteers.

In all cases where no physician has made a certificate of the causes of death, the return should be made by the medical examiner instead of by the Board of Health, as is now required by law. For this purpose the medical examiner should be given power to make such examination upon a view of a body as he deems to be necessary.

There remain to be solved problems which require technical knowledge. Such problems include the scope of the work to be performed by both the sanitary and medical inspectors; the question of whether the medical inspection of schools should be transferred from the Board of Health to the School Committee; the question of whether a better system of disposing of garbage, ashes and other refuse may be devised; the question of whether the services of specialists on diseases of the skin, eye, ear, nose and throat could be

secured without pay, as in the case of hospitals; the question of whether the present system of safeguarding the public from infectious and contagious diseases, particularly tuberculosis, may not be improved, together with such other matters as enter into the administration and organization of the Department of Health.

To solve these problems, which are beyond the province of laymen, this Commission will appoint a special committee of three physicians, an engineer and statistician to serve without compensation.

The Commission has given careful consideration to the advisability of substituting a single commissioner for the present board of three members. This proposition is complicated because of statutes which would have to be repealed before substitution could be made. The duties of the Health Board are partly executive and partly judicial. In so far as they are executive a single commissioner would undoubtedly be more efficient. But whether important and final judicial powers should be entrusted to one man is ~~open~~ to question. Hence, the Commission reserves for the present its opinion on this change and will lay certain phases of the problems involved before the special committee referred to.

A list of offices and salaries in the department is appended hereto.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

APPENDIX. — PAY-ROLL.

	Per Year.
Chairman	\$4,500 00
Commissioner	4,000 00
Commissioner	4,000 00
	<hr/> \$12,500 00
OFFICE FORCE AT HEADQUARTERS.	
Secretary	\$3,000 00
Secretary	3,000 00
	<hr/> 6,000 00
Carried forward	<hr/> \$18,500 00

<i>Brought forward</i>		\$18,500 00
	Per Year.	
Statistician	\$1,800 00	
Bookkeeper	1,600 00	
Clerk	1,000 00	
Clerk	832 00	
Clerk	800 00	
Clerk	520 00	
Messenger	624 00	
Burial permit clerk	780 00	
		7,956 00

MEDICAL STAFF.

Dermatologist	\$4,000 00	
Chief medical officer	3,000 00	
Chief medical officer	2,300 00	
Chief medical officer	1,800 00	
Chief medical officer	500 00	
Veterinary	2,400 00	
		14,000 00

SANITARY INSPECTORS.

Chief sanitary inspector	\$2,500 00	
5 sanitary inspectors at	\$1,800 00	
3 sanitary inspectors at	1,700 00	
2 sanitary inspectors at	1,600 00	
1 sanitary inspector at	1,400 00	
4 sanitary inspectors at	1,300 00	
1 sanitary inspector at	1,100 00	
1 gas inspector at	1,200 00	
	26,200 00	
Smoke inspector	1,800 00	
Constable	1,100 00	
Constable	1,000 00	
		32,600 00

DISINFECTION DIVISION.

Chief disinfecter	\$1,800 00	
12 disinfectors (\$16.50 per week)	10,296 00	
Foreman of stable (\$17.50 per week)	910 00	
Stableman (\$17.50 per week)	910 00	
Superintendent of morgue	720 00	
Assistant Superintendent of morgue	600 00	
		15,236 00

INSPECTORS OF PROVISIONS.

Inspector	\$1,400 00	
Inspector	1,200 00	
Inspector	1,100 00	
Inspector of animals	1,400 00	
Inspector of pedlars	1,300 00	
Inspector of pedlars (\$3 per day)	900 00	
		7,300 00
<i>Carried forward</i>		\$95,592 00

Brought forward \$95,592 00

BACTERIOLOGICAL LABORATORY.

	Per Year.	
Director	\$2,500 00	
Assistant director	1,400 00	
Bacteriologist	1,200 00	
Assistant bacteriologist	1,200 00	
Stenographer	780 00	
3 messengers { \$624 00 416 00 260 00 }	1,300 00	8,380 00

BUREAU OF INSPECTION OF MILK AND VINEGAR.

Inspector	\$3,000 00	
Chemist	1,800 00	
Clerk	1,500 00	
3 milk collectors (\$3 per diem)	3,000 00 *	9,300 00

SMALLPOX HOSPITAL.

Superintendent	\$600 00 †	
Matron	300 00 †	900 00

QUARANTINE DEPARTMENT.

Post physician	\$1,700 00 †	
Assistant post physician	1,000 00 †	
Captain of boat	1,600 00 †	
Mate	1,000 00 †	
Engineer	1,300 00 †	
Assistant engineer	1,000 00 †	
Steward	880 00 †	
Deck hand	720 00 †	
Fireman	600 00 †	
Overseers at Gallup's Island	900 00 †	
4 farmers	{ \$420 00 † 360 00 † 360 00 † 360 00 † 1,500 00	
Matron	\$300 00 †	
Cook	300 00 †	
Fireman	720 00 †	
	1,320 00	13,520 00

MEDICAL INSPECTORS OF SCHOOLS.

80 at \$200 per annum	16,000 00
5 police officers assigned to general inspection duty at \$1,200,	6,000 00
Pay-roll	<u>\$149,692 00</u>

Total number in department, 181.

* Approximate.

† Quarters and subsistence.

‡ Subsistence.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE CONSTRUC-
TION OF SEWERAGE WORKS IN THE CITY
OF BOSTON.

Boston, January 23, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN,— On January 7 the Finance Commission received a letter from the Mayor's office submitting, for the consideration of the Commission, a statement by the Superintendent of Sewers, dated January 6, 1908, "that public necessity and convenience require the construction of sewerage works in certain streets" after that date, and requesting the approval of the Mayor to the immediate prosecution of the work specified at an estimate cost of \$425,000.

The magnitude of the sewer problem as affecting the finances of the city can hardly be overstated and has clearly not been grasped by recent city administrations. The cost of the work now contemplated is estimated at nearly, if not quite, \$20,000,000. The Commission cannot learn that any systematic study of this vital problem has been made by the Sewer Department, and it would be rash to prophesy that the expense will not be nearer \$30,000,000, particularly if the work is prosecuted under present methods. The work so far done has been largely for political rather than for business or scientific reasons.

The Commission is convinced that a halt should be called in the further expenditure of money raised by loan for the extension of sewers, until certain broad questions can be thoroughly investigated and settled to the satisfaction of the city government.

The difficult and important questions referred to relate:

1. To the policy of doing work of this character by day labor rather than by contract at an excess cost to the

city, as admitted by the superintendent, the engineer and the acting superintendent of the department, of from 25 to 150 per cent.

2. To the expediency of prosecuting sewer construction during the winter months.

3. To the general question of the "Separate Systems of Drainage," its necessity, ultimate cost and the methods of construction which should be adopted.

4. To the proper mode of financing the future sewer construction of the city, whether by loan or otherwise, and if by loan whether the money should be raised inside or outside the debt limit.

5. To the question of assessing (as cannot be done under the present law) a reasonable proportion of the cost of this work upon the property owners immediately benefited.

The Finance Commission has for several months been conducting, through its members and competent engineers employed for the purpose, a careful inquiry into the work of the Sewer Department. The waste in this department, as recently conducted, in the employment of labor, the letting of contracts and the purchase of supplies, has been enormous, perhaps greater than in any other department of the city government.

As an illustration, the present method of letting contracts for cleaning catch-basins without reference to the necessity of the work, may be referred to. It appears that contracts have been given out for cleaning basins that do not exist, that others are paid for twice in the same contract, that others have been contracted to be cleaned where cleaning was not necessary, that an excessive price has been paid for all the work and that numbers of those demanding cleaning have been neglected.

The Commission has felt that a careful inquiry into the manner in which the work now laid out is actually being done and paid for should precede a consideration of the broader questions indicated above. The labor of investigating the methods of administration has been peculiarly difficult in this department owing to the fact that in recent years no

cost accounts of any value have been published or kept, and to the unwillingness of the department to facilitate the work of the Commission and its agents.

This work is by no means yet completed, but the Commission has seen enough to be of the opinion that the Sewer Department is in an utterly demoralized condition in respect to the discipline and efficiency of the force, the mode of purchasing supplies and the general methods of administration, and that a complete reorganization is necessary if the city's sewers are to be constructed and maintained with any honest regard for the interest of the city.

The Commission has given much thought to the five questions of general policy indicated above, and believes it now has sufficient information as to the methods of the department to justify it in considering these particular matters in detail with the assistance of such advice and information as it can procure from the State Board of Health, the Metropolitan Water and Sewerage Board, the engineers of the Sewer Department and its own professional advisers. It will report thereon as soon as possible.

The Commission desires to call the attention of the city government to the astonishing provisions of the present laws (Statutes 1899, chapter 450, section 11; Statutes 1903, chapter 268; Statutes 1907, chapter 485), which, as interpreted by the department, the City Auditor and the Corporation Counsel, prohibit the city from spending any money on sewer construction except that which may be raised by loans outside the debt limit. This legislation prevents the city, were it so inclined, from spending any money raised by taxes or loans inside the debt limit upon sewer construction, prohibits the exercise of economy and actually puts a premium upon extravagance and expense. These laws should be changed.

With reference to the work recommended by the Superintendent of Sewers in his letter of January 6, 1908, the Commission notes that it comprises thirty-seven items of sewer construction, twenty-three of which are to be done by contract and fourteen by day labor.

The twenty-three contracts have already been let, and include one for \$1,261 which was awarded after a public competition. Of the remaining twenty-two contracts, three were let by competition, and in the case of a few others the absence of competition was apparently justifiable. Most of these contracts, however, involving a total expenditure of \$20,000, were handed out as "gift contracts" to political friends of the administration. Some of them were for work done in connecting or contiguous streets, and these jobs should have been let together. Eight of the contracts were for sums varying between \$1,400 and \$2,000. None of them exceeded the latter amount.

These contracts are to be charged partly to the loans for "Sewerage Works" and partly to the loans for the "Separate Systems of Drainage." The unexpended balances available from the loans for these purposes already issued are sufficient to cover the contracts in question.

Although the work was "split" into too many contracts, and most, if not all, of them — not merely three out of twenty-two — should have been advertised and not awarded by favor to political contractors, they appear to be valid obligations to the city, and the work under them must apparently be permitted to go on.

The remaining items, fourteen in all, represent work to be done by day labor, at an aggregate estimated cost of about \$385,000.

For the moment the unexpended balance of the appropriation already raised by loan for the "Separate Systems of Drainage" is sufficient to permit the continuance of this part of the department programme, at least for some months to come; but the unexpended balance of the appropriation raised by loan for "Sewerage Works" will be exhausted about February 15, 1908, if the bills for materials and other purposes incurred for the same are paid, as they should be, when due. To continue this work in the absence of a fresh appropriation will be a violation of the law, and, therefore, unless such an appropriation is made, the work should stop on or about February 15, 1908.

Pending the completion of its investigation of this department and the sewerage system generally, the Finance Commission, in answer to the Mayor's request, recommends :

1. The continuance of the contract work outlined in the Superintendent's letter of January 6, 1908.

2. The continuance for the present of the day labor work on "Separate Systems of Drainage" items; the same to be prosecuted, however, with greater efficiency and less waste than in the past.

3. The discontinuance of all work on the Sewerage Works items as soon as the appropriation for the same is exhausted.

4. If it is desired to provide a fresh appropriation for the continuance of the Sewerage Works items pending a final decision on the general question reserved, a reasonable sum may, if existing laws do not prevent, be procured by loan inside the debt limit through a transfer from those items of the loan bill of July 26, 1907, which the Commission recommended in its communication of November 29, 1907, should be rescinded.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION FROM THE FINANCE COMMISSION, TRANSMITTING A LIST OF THE RECOMMENDATIONS TO THE MAYOR AND CITY COUNCIL THUS FAR MADE BY SAID COMMISSION.

BOSTON, January 23, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — In the belief that a summary of the recommendations thus far made by the Finance Commission may be of service to the new city government, the Commission transmits herewith a list of same. The numerical references are to the pages of the printed proceedings of the Commission.

Respectfully submitted,

BOSTON FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

SUMMARY OF RECOMMENDATIONS MADE BY THE FINANCE COMMISSION TO JANUARY 24, 1908.

August 7, 1907. Department of Weights and Measures, page 23.

That no increase of the working force of any department be made except on absolute necessity.

That the nominations recently sent to the Board of Aldermen for eight additional deputy sealers at an annual salary of \$1,600 each be withdrawn, or action on them by the Board of Aldermen postponed.

August 15, 1907. Water Department, loan for extension of mains, page 24.

That the order now pending in the City Council for a loan of \$300,000 outside the debt limit for extension of mains be reduced to a sum not exceeding \$75,000.

August 27, 1907. Purchases of land, page 29.

That the departments be prohibited from acquiring real estate by private purchase at prices more than 25 per cent. in excess of the assessors' valuation.

That new legislation, if necessary, be requested to permit the acquisition of land for municipal uses by eminent domain.

September 12, 1907. Evergreen and Mt. Hope Cemeteries, page 31.

That the purchase of land for an extension of Evergreen Cemetery in Brighton, authorized by the loan bill approved July 26, 1907, be abandoned.

That no additional land be purchased for the Mt. Hope Cemetery by private purchase unless the same can be obtained for a price not exceeding 25 per cent. in excess of the assessors' valuation.

September 21, 1907. Department of Weights and Measures, page 33.

That the department should be reorganized from top to bottom; its methods radically changed, and daily reports made and proper records kept.

That there should be a vigorous enforcement of the law with regard to inspections and prosecutions.

That the licenses of pedlers who use false weights and measures should be revoked.

That the deputy sealers be placed under the civil service rules.

That the recent ordinance providing for an increase in the number of deputies from ten to eighteen, should be repealed, and the pending nominations withdrawn.

October 4, 1907. Assignment of wages, page 44.

That a circular similar to that issued by Mayor Collins, under date of March 25, 1902, be issued, directing the departments to enforce compliance with the provisions of the Revised Ordinances, chapter 3, section 12, requiring the heads of departments to prevent this practice.

October 24, 1907. The financial departments, page 54.

That the work of the Collector's office be reorganized, the methods of bookkeeping changed, a system of daily reports

inaugurated, absenteeism discouraged, expense accounts classified, and modern methods of mailing adopted.

That the number of deputy collectors be reduced by fifteen.

That the number of general clerks be reduced to ten.

That all employees of the department be placed under the civil service laws.

That the Collector should be appointed to hold office for an indeterminate period, subject to removal by the Mayor.

That the salary of the Collector should be reduced from \$7,500 to its former figure of \$5,000.

That the annual expenditures of the department be reduced from \$160,000, the amount appropriated this year, to \$120,000.

October 26, 1907. The Deer Island wall contract, page 66.

That further payments under the contract of May 1, 1907, between the city and the Atlas Construction Company, for the erection of the concrete wall on Deer Island, be postponed until the contractor has furnished a signed statement giving in detail all his payments for labor, services and materials.

November 8, 1907. Disorderly conduct of a city employee at a public hearing, page 75.

That the Mayor take such action as he deems wise regarding the disorderly conduct of one Fred J. Kneeland, an employee of the city, at the close of a public hearing held by the Commission, November 7, 1907.

November 11, 1907. Mechanic Arts High School, page 67.

That the recommendations in the accompanying report of Messrs. Charles W. Eliot, the Rev. Thomas I. Gasson, S. J., and Henry S. Pritchett, regarding the Mechanic Arts High School, be carried out. Said recommendations concluding with the advice that the city proceed with the enlargement of the Mechanic Arts High School without delay.

November 19, 1907. Deer Island boundary wall contract, page 76.

That before the payment now contemplated to the Atlas Construction Company, under the Deer Island boundary wall contract, is made, the accounts on both sides be stated and liquidated so as to prevent future claims for anything prior to the date of the accounting.

November 21, 1907. Contract methods: The Brighton Coal Company; The Eastern Clay Goods Company; The Linehan-Hallion Contracts — contracts for the Common walks; The dealings with the Atlas Construction Company; The Deer Island Wall Contract, page 77.

That all contracts exceeding \$2,000 in amount should be awarded after public advertisement and competition, unless some special exigency exists, and the head of the department furnishes the Mayor with a written statement giving in detail good and sufficient reasons for not inviting bids by advertisement. Reasons, merely formal and in routine phrase, made for the purpose of evading the statute, should not be tolerated.

That the duties of the City Engineer under chapter 16 of the Revised Ordinances should not be interpreted, either by him, by the Mayor or by the heads of departments, so narrowly as is now the case. His advice should be solicited, and if not solicited should nevertheless be given if the opportunity presents itself, concerning the entire business of the city "which properly comes under the direction of a civil engineer."

That reputable firms of known responsibility should be encouraged by fair and business-like treatment to compete for city work.

That all contracts should be signed by the real parties in interest.

That no percentage contracts should be entered into by any department of the city government, except in cases presenting features of peculiar difficulty, and only then after a statement in writing has been made by the City Engineer giving in detail his reasons for advising this course.

That in all work undertaken upon a percentage of actual cost, plus a profit basis, the contract should provide that the city shall pay no more for labor or materials than the contractor himself pays, and that no money shall be paid until after the contractor has furnished a statement signed by him of all moneys paid to date for labor, services and materials. The other provision found in the regular city contracts should as far as possible be incorporated.

That no further payments should be made under the Deer Island wall contract until the pay-rolls recently furnished by the contractor have been examined and verified and all the bills for materials have been carefully scrutinized, and the opinion of the Law Department obtained upon all items in dispute.

That the charter amendments of 1885, chapter 266, section 12, should be strictly enforced. Members of the City Council should not solicit contracts for anyone, much less for themselves. Nor should they "directly or indirectly take part in the * * * * making of contracts."

That the existing law, Revised Laws, chapter 216, section 9, should be strengthened and amended so as to apply to members of the State Legislature who represent Boston districts; and the law should provide that any city contract obnoxious to its provisions shall be void, and that all moneys paid under it may be recovered back.

That the heads of departments should be protected by the Mayor from the demands of members of the City Council and State Legislature that contracts be awarded to them or their friends. Neither the heads of departments nor the Mayor should permit themselves to be intimidated into awarding contracts, in response to such demands.

November 24, 1907. Coal purchases, page 100.

That coal should not be bought at this season of the year except to the extent absolutely necessary.

That in the spring contracts be made for supplies for the entire year under new and well considered specifications, with provision for deliveries at stated periods.

November 29, 1907. The city debt, the loan order of July 26, 1907, page 102.

That all future loans for pavements and street construction be limited to ten years.

That no land be acquired by private purchase at more than 25 per cent. in excess of the assessors' valuation, and that the Legislature be requested to authorize the city, under proper restrictions, to acquire land by eminent domain for any public use.

That before any loan bill is passed by the City Council the opinion of the head of each department interested be obtained in writing.

That certain items in the loan bill of July 26, 1907, aggregating \$536,000 be rescinded.

December 6, 1907. Contracts for North River flagging, page 121.

That no more stone be ordered under the contracts with Maher Bros. for North River flagging.

That when the supply for 1908 is contracted for it should be done only after a public and genuine competition.

December 13, 1907. Contracts and leases entered into in the closing days of the administration, page 123.

That no leases be made and no contracts entered into by any department for work, services or supplies other than those of a temporary character, and none which will commit the city beyond the end of the present fiscal year.

December 17, 1907. Increases of salaries in the Bridge Department, page 124.

That the recent order increasing salaries in the Bridge Department be rescinded, and that all questions of wages and salaries be decided by the incoming administration, which will have to furnish the money to meet the charges.

December 20, 1907. Market leases, page 128.

That no action be taken on the subject of market leases until the investigation into the question by the Finance Commission is completed.

December 21, 1907. Proposed temporary loan, page 128.

That no objection appears to exist to the passage of the pending order for a temporary loan of \$2,000,000.

December 21, 1907. Increases of salary at or about election time, the laws and ordinances prohibiting the heads of departments from exceeding their appropriations, page 129.

That all recent increases in salaries be cancelled.

That the Legislature be requested to enact a law prohibiting increases in salaries or wages except at the beginning of a fiscal year.

That the Legislature be asked to make it a criminal offence for any head of a department intentionally to permit the expenditures of his department to exceed the appropriation, except in cases of extreme emergency.

December 27, 1907. Hospital for the insane poor, page 133.

That the Legislature be requested to pass an act providing for the transfer to the State, upon equitable terms of sale, of the Boston Insane Hospital.

January 21, 1908. Health Department, page 138.

That various reforms should be instituted in this department, including competition for the contracts given out, closer supervision of the work done under contract, and more effective checks on the purchase of supplies.

That the secretary, additional medical officer, smoke inspector, and those of the sanitary inspectors and milk inspectors who are known to be incompetent, should be removed.

That the number of sanitary inspectors should be increased to twenty-one, the new appointees to receive \$1,000 a year at the commencement.

That the places of the two assistant commissioners, appointed at the beginning of the year, recently vacated, should not be filled, and that Statute 1895, chapter 449, section 20, authorizing their appointment, should be repealed.

That the salary of the Dermatologist should be placed at \$2,500.

That the care of the public convenience stations, except that in the City Hall, be transferred from the Bath Trustees to the Health Department, and that the one in City Hall be transferred to the public buildings or City Messenger Department.

That the laws relating to the dealers who sell "bob" veal, tainted meat or unwholesome provisions should be amended so as to make convictions easier.

That a law should be enacted giving the Board authority to inspect the places of business of physicians and other persons who advertise cures for private diseases.

That all public institutions maintained by the city and county of Suffolk should be inspected from time to time by the Board.

That where a physician has made no certificate of the cause of death, return should be made by the medical examiner instead of the Board of Health; and that the medical examiner be given power to make such an examination upon a view of the body as he deems to be necessary.

January 23, 1908. Sewer Department proposed loans for winter work, page 150.

That the contract work outlined in the Superintendent of Sewers' letter of January 6, 1908, amounting to something over \$20,000 on contracts already awarded and assigned, be discontinued.

That the day labor work on the "Separate System" items requested by the superintendent be discontinued, but that the work be prosecuted with greater efficiency and less waste than in the past.

That all work on the "Sewerage Works" items requested by the superintendent be discontinued as soon as the appropriation for the same is exhausted.

That if a continuation of the work on the "Sewerage Works" is desired pending the final decision on certain general questions, a sufficient sum may be procured inside the debt limit through a transfer from those items of the Loan Bill of July 26, 1907, which the Commission recommended on November 29, 1907, should be rescinded.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL RELATING TO THE FIRE DEPARTMENT.

Boston, January 28, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN,—The Finance Commission has made an inquiry into the Fire Department, and begs leave to make the following report:

Since 1895 (Statute 1895, chapter 449, section 2), the department has been in charge of a single Commissioner appointed by the Mayor without confirmation by the Board of Aldermen. By Statute 1885, chapter 266, he in common with other heads of departments is required to make all necessary contracts for the employment of labor, the supply of materials, and the construction, alteration and repair of all public works and buildings, and is given the entire care, custody and management of all public works, institutions, buildings and other property, and the direction and control of all the executive and administrative business of his department. Upon him both by law and ordinance rests the responsibility for the appointment and removal of subordinates, engineers and firemen. He is accountable to the Mayor for the proper discharge of his duties, and no increase in the number of subordinates or in salaries can be made without the written approval of the Mayor; but this approval once obtained the responsibility of selection of the appointee rests with the Commissioner. This is a great power and involves a great responsibility. To discharge it effectively the Commissioner must be a man of large executive and administrative ability as well as a strict disciplinarian. Such men are rare.

Under this system the Fire Department became a strong, vigorous, effective fire-fighting organization, winning an enviable reputation, which spread far beyond the borders of the Commonwealth. Freed from political or personal influ-

ence a strict military régime was established, and through discipline the force was brought to a high degree of efficiency. The merit system was established, under which a man's record alone governed all appointments, transfers and promotions, and no outside interference was tolerated.

After a careful inspection of the department made by its committee of twenty, the National Board of Fire Underwriters in January, 1906, issued an elaborate report thereon, with a later supplement in April, 1907. This report speaks in high terms of the department and its equipment. Among other things it says, "The engine tests indicate that on the whole the condition of the engines and the ability of the men handling them is above the average. Although some of the apparatus has been in service for many years it has been well maintained and it is generally in good condition."

Many of the improvements recommended in the foregoing report have been carried out by the Fire Commissioner. Others he has in mind, and they are either in process or have been delayed through lack of funds. Care has been taken to introduce modern appliances as fast as, and sometimes faster than, funds would warrant. In most of its essentials the department is still strong and efficient, with an up-to-date equipment.

Since the death of the late Mayor Collins the department has fallen under the malign influence of politics. The rule is explicit that "any officer or member who shall directly or indirectly solicit the influence or intercession of any person or persons with the Commissioner to effect his promotion or transfer, or the penalties of reprehensible action shall be guilty of a violation of this rule, and be punished by fine or dismissal from the service, as may be determined." There has gradually crept into the minds of some of the public and members of the force a feeling that this rule has been openly and persistently violated, and that a man's chances depend no longer upon merit alone, but that outside influence, both personal and political, may be used with effect. The old sense of certainty is gone, and in its place there is a feeling of unrest, which has a distinct tendency to lower the discipline and efficiency of the force.

The Commission is satisfied that in a large majority of cases appointments have been made upon merit. In some instances political pressure has been courageously resisted.

There have, however, been enough cases in which the rule has been violated, and personal and political reasons have controlled, to give a plausible ground for the prevailing belief in the department that merit is no longer a man's best asset, and that to secure promotion he must have influential backing.

It would serve no useful purpose to consider these cases in detail. The Commission has found a number for which there was no possible excuse. Efficient men have been passed over and their juniors appointed, not because they deserved to be, but to quote the words of the Fire Commissioner, "at the request of the Mayor." In one case a man failed of promotion because the Mayor thought him "an offensive partisan." The men appointed were no doubt capable, but they were not then entitled to promotion. The Fire Commissioner has been perfectly frank and has admitted that he made these promotions in this way, but he does not seem to appreciate their effect upon the service. He defends himself on the ground that he did the best he could under the then existing circumstances.

Feeling has been aroused by these unfortunate appointments and failures of deserved promotion. Unfriendly critics have seized the opportunity to sow dissension, and have given heed to and enlarged upon any bit of gossip that came to hand. Many rumors and stories reflecting upon the department have been printed and otherwise circulated. The Commission has carefully investigated a large number of those brought to its attention. Among them are stories of promotions alleged to have been paid for in cash. In one case it was said that a certain official had been approached and told that he could have a desired promotion if he paid the sum of \$500; that he refused to make the payment and as a result failed of promotion. This official, however, stated under oath that there was no foundation for the story; that he had never made any such statement to anybody, and that the first he knew of it was when he saw it in

the newspapers. The Commission is satisfied that he told the truth. Other similar stories have been found to be equally groundless. It is, however, true that in many minds there continues to be a belief that money has been used to effect promotions, although in no instance has any suspicion been attached to the Fire Commissioner.

There are other stories of different kinds which have sufficient foundation to make the charges plausible, and many people believe them simply because they have not heard the explanation.

For example, the charge is made that a district chief has in his home a bath-tub stolen from an engine house, in which a new system of plumbing had been installed, showers being substituted for a tub. Under the written contract with the city (which the Commission has examined) the plumber as a part of the consideration was entitled to the old material. He had therefore a perfect right to do what he pleased with it. After its removal the tub was purchased by the district chief, and paid for at its fair value. The Commission has no doubt that this arrangement was made in absolute good faith. There was nothing about it either illegal or wrong; the Commission is convinced, however, that purchases made by city employees of city contractors are so subject to misinterpretation that it is wise to avoid them.

A similar charge was made that an officer is in possession of a typewriter which was stolen at a fire from a certain firm. The firm has assured the Commission that no typewriter was stolen, and they make no claim against the officer or the department. It happens, however, that this officer was and is using a typewriter which was bought of this firm. The Commission has seen the receipted bill, which identifies the machine by number, and has had an examination made of the firm's books, which show the sale of the machine in due course of business. There was nothing suspicious in the transaction.

There are other charges and criticisms which amount to nothing more than indiscretion on the part of the Commissioner and his subordinates.

For example, the charge is made that the automobiles

belonging to the Fire Department are not used solely for official purposes, but are taken out on Sundays for pleasure with members of the family (including ladies), and that long distance journeys have been made in them to Providence and other cities. It is clear that city automobiles ought to be used only for city purposes, and the presence in them of ladies at any time is a just subject for criticism; but it appears that the long distance journeys have been on official business, and no ladies have then been of the party. The Commission feels, however, that an automobile intended to take the chief quickly to a fire ought not to be taken outside of the city. If a fire should arise in his absence the automobile is needed by the deputy who takes his place. If there is any reason for the chief to have an automobile, there is an equal reason for the deputy to have it for use in his absence. This is a matter of judgment, but where any other line of conduct gives rise to suspicion and criticism, it seems to the Commission wise that the practice of conveying outsiders in city automobiles, or of taking long distance journeys on official business, should be discontinued.

Stories of larcenies at or after fires, committed by members of the fire force, have come to the Commission. It is difficult to investigate such stories. The opportunity of placing in the pocket small trinkets and sometimes of carrying off larger articles is great, and there might be in a force of between 800 and 900 men some who are dishonest. That thefts at and after fires have been committed has been proved beyond question, and firemen have been the subject of grave suspicion, but as many other persons other than firemen had access to the premises it has been found impossible to fix individual responsibility. There is no reason to doubt that in general the property of our citizens is entirely safe at the hands of the department. Careful supervision should be maintained to keep the weak from temptation and to retain the confidence of the community.

Another charge brought against the department is an alleged increase in drunkenness. No facts have been brought to the attention of the Commission which would warrant the belief that this is to any material extent true. It is not easy to ascertain the actual situation in this respect.

Neither the number of arrests nor the number of charges filed with the Commissioner indicates the real number of offences. The police, as a rule, will not, if they can possibly avoid it, see a fireman who is under the influence of liquor, and will arrest only in the last resort. This is due to the fact that the two bodies are in constant co-operation, and any other course would lead to friction. In 1907 there were not exceeding a half dozen arrests. Very few charges were filed. There seems to be a general disposition to treat the offence as venial, to have sympathy for, and if possible to save the man. To a certain extent this is commendable. Many a man both in and out of the department has been stopped in his downward career by a kind word of warning and advice. But in the department the interest of the city and its millions of dollars worth of property are concerned, and it is questionable how far this leniency should be carried. In some cases, which the Commission investigated, the arrest and the action of the court thereon (in one case the imposition and payment of a fine) had entirely escaped the notice of the department, and so far as the department records went the men's standing was unaffected. The records otherwise are imperfect. Where a charge is made and a man is disciplined, it is customary to state the fact in the printed "general orders" issued to the force. In some cases the Fire Commissioner has exercised his discretion in omitting mention of the facts. This discrimination may be wise as to the man affected, but it may be attributed to favoritism and cannot be good for the discipline of the force as a whole. The fear of public disgrace is a great deterrent of wrong doing. If, however, the belief becomes prevalent that, even after a man is found guilty and disciplined, he may escape the publicity of "general orders" through sympathy, or that one man will be held to a rigid responsibility while another, through favoritism, will be dealt with leniently, the moral effect will be lost. As was stated by several officials, "the Fire Department is no place for a drinking man." In the judgment of the Commission leniency in such matters may easily be carried to excess.

Instances have come to the attention of the Commission of men slightly affected by liquor while on duty at fires.

The work of a fireman is most exacting. The Commission believes that it would be helpful if a system should be established of providing hot coffee at the expense of the department in cases of large fires in cold weather. This is occasionally provided by public-spirited citizens and is welcomed by the firemen as a valuable help in their work. There is no reason why it should be left to the accidental good nature of citizens.

Within a comparatively recent period a club has been formed called the Russell Fire Club with a present membership of about 600 men, which is causing some uneasiness in the department. It secured a charter as a social club under the laws of the Commonwealth, and as such does not appear to violate either the letter or the spirit of the rule forbidding participation in politics or the joining of any club organized or utilized for political purposes. Everything seems to have been done openly. A list is on file at the State House of the officers, who are well known and, so far as the Commission can ascertain, trustworthy men. The club meets twice a month, and there is no concealment about time or place of meeting. At these meetings questions of mutual interest are discussed, and light refreshments are served. They are held at noon, and are attended by men who are on their day off, and those who can reach the place of meeting during the noon meal hour. The club is established along the lines of a similar club which was formed in the Police Department about a year ago. There seems to be no reason why firemen should not have such a club as well as policemen. But at its organization there was made one vital mistake. The police before organizing their club consulted with the Police Commissioner, explained fully the exact scope of their plans, and found that he had no objection. Thus they avoided any possible suspicion or criticism. It would have been wise if a similar course had been pursued by the firemen; but as a matter of fact the Fire Commissioner was never consulted or officially informed of their action. The club has acquired a reputation for secrecy and mystery which does not belong to it, but which is hurting its standing. The members are conscious of this, and there is danger that they may attribute the

making or refusing transfers and promotions to unjust discrimination on the part of their superiors. This friction is growing to the detriment of the service.

It seems to the Commission that a spirit of harmony and right understanding would be promoted if the club should be dissolved by the voluntary acts of its members. If later a new club should be organized it should be only after a full and frank explanation of its purpose to the Fire Commissioner. Such a club must have the confidence of the officers of the department. Should it appear that its members, while adhering on paper to the letter of the rule, are in fact violating its spirit, and endeavoring to use it for ulterior purposes, it would be the plain duty of the Fire Commissioner to interfere.

Many improvements in office equipment have been introduced in the department, but they have not all been brought to their highest efficiency, and defects exist which are apparent upon the slightest inspection.

The Fire Commissioner stated that he had established, through an expert, a stock book which is "so kept that any morning there can be found in detail how much of each thing we have on hand in each of the eighty-eight companies." He was clearly misinformed. So far from this being true, it is only with difficulty that it can be ascertained from the records how much of any article is on hand in the supply department at headquarters. The stock book in question is faulty in plan and has been kept in an unsatisfactory manner.

Under the system adopted requisitions from the various organizations are only to be honored upon the signature of the officer in charge, the district chief, the chief of the department, and the Fire Commissioner, thus making four checks against improper requisitions. The Commission found several instances in which requisitions had been honored without all the signatures required, in some instances without the signature of the Fire Commissioner. Thus it appears that although the need of a system was recognized and care was taken to establish it, it lost much of its value in practice.

Among the improvements for which the Fire Commissioner asks credit is the introduction of a system of card catalogues. This is along the line of modern thought and

brings within easy access a large amount of useful information; but here again the Commission found that while the system was good it failed in an important particular. It is intended to keep a complete record as to each man in the department, containing his picture, showing his appointment, transfers, promotions, merits and demerits. In one instance, of a man against whom charges had been filed and who had been found guilty and disciplined, no record of the facts had been made. The Fire Commissioner stated that this was due to an oversight of his own. Such an oversight throws doubt, perhaps unjustly, but no less surely, upon the general accuracy of the records.

A new assignment book has been prepared showing in elaborate detail the duties of each organization whenever an alarm is sounded from the boxes throughout the city, on the first, second, third, fourth, and, in some instances, the fifth alarm. It is manifestly impossible for any one, except an expert, to test the value of this book. Unquestionably it is of great value, but the Commission happened upon what it believes to be a grave omission relating to East Boston. The Commissioner stated that, in his opinion, East Boston was a particularly difficult territory to cover, because it could only be reached by a long land trip or by ferry. Under the old assignment book upon the sounding of a third alarm it was the duty of a designated engine from the main land to cross the ferry and go, not to the fire, but to a specified station in the uncovered district, and there remain for the protection of the district. Under the new assignment book there is no such provision, and no specific engine has the duty of covering the unprotected territory. Whenever engines go over the ferry the chief in charge assigns one of them for this duty. The Commission understands that at its suggestion steps are being taken to remedy this defect.

The clerical work in the main office seems to be good, all the employees having been several years in the service.

The clerical work in the repair shop and supply department, on the other hand, shows carelessness and general inefficiency. That it is unsatisfactory is not to be wondered at, in view of the manner in which the clerks were chosen.

One is a fireman detailed at the request of a relative, a then member of the Common Council, because of ill-health, and not because of any special knowledge of bookkeeping. The Fire Commissioner said of him: "He had no previous experience as a clerk, but had a good handwriting." He appeared to members of the Commission who saw him to have recovered his health, and there would seem to be no reason why he should not be returned to the fire force. He is receiving \$1,200 per annum as a fireman, and a man of his limited experience and ability as a clerk could be had from the civil service for not exceeding \$800 per annum. The other bookkeeper was transferred from the Bridge Department at the request of the Mayor.

When the Fire Commissioner was asked why he did not fill these positions by direct application to the Civil Service Commission he gave two reasons:

1. Because of the danger that a veteran might be certified, who, once appointed, could not be easily removed if he proved unsatisfactory.
2. Because he preferred to take a man from another department who is known, rather than a stranger from the civil service.

Neither of these reasons will bear examination, as practically applied in this case.

Inquiry at the Civil Service office would have shown the Fire Commissioner then, as it has since shown this Commission, that there was no veteran upon the list entitled to the position. The alleged danger was imaginary.

The fallacy of the second reason is shown by the character of the appointment.

Although the power of employing subordinates is given to the heads of departments without requiring any confirmatory action by the Mayor (Ordinance 1898, chapter 3, section 12), a practice has grown up under which all such appointments, as a matter of fact, are submitted to the Mayor for his approval. During the past two years this has degenerated into a practical usurpation of authority, the Mayor no longer merely approving or disapproving, but frequently naming the appointee. The spirit of the law has thus been nullified.

Its purpose was to fix responsibility upon the head of the department, but no man can be held responsible for subordinates in whose selection he has no voice. The Fire Commissioner, doubtless because he could not help himself, yielded to the situation, and instead of personally finding the proper man for the place wrote on August 31, 1906, the following letter to the Mayor:

"I am putting in operation a new system of keeping the accounts in the repair shop, and I desire to appoint a capable clerk, preferably young and ambitious for advancement. It is exceedingly important that the clerk to be appointed be industrious and capable or the whole system of keeping accounts, which has been so carefully considered, will be worthless. If such a man can be secured by transfer, will you kindly advise me, or would you prefer that I make a draft on the Civil Service?"

In answer, the Mayor sent to fill this responsible position a man who had been a swimmer and splicer in the Bath Department, a driver and door-tender and, for a few months only, a clerk in the Bridge Department at a salary of \$420 per annum, never having been used in connection with book-keeping work requiring final responsibility.

It was to these two inexperienced men that the new and "carefully considered system of keeping accounts" was entrusted. It is only fair to the men to say that they seem to be well intentioned, and, within their limitations, have done the best they could. Criticism should fall not upon them, but upon the appointing power which, knowing the importance of the situation, deliberately placed them in positions for which they had no proper training.

The case of the man from the Bridge Department is interesting as a typical illustration of the manner in which the Civil Service law is sometimes evaded in the interest of personal and political appointments. The favored appointee (for whom, by the way, there was no real vacancy in the Bridge Department) passed the civil service examination as a clerk of the "lower grade," standing No. 14 on the list. It is customary for each person on the list to state to the Civil Service Commission the minimum salary he is willing to accept,

and this is entered there against his name. All but one of those ahead of the actual appointee had named as their minimum sums from \$40 to \$65 per month. He and one other named \$30 per month. A requisition from the Bridge Department was thereupon made, asking for a clerk who was willing to take \$35 per month. The naming of so low a figure eliminated all those above the favored appointee, and he thus became the second of three who had named this or a lower figure. He was selected by the appointing power, his companions with less political influence being ignored. Later he passed another Civil Service examination, this time for the "higher grade" of clerks, appearing as No. 8 on the list. As he was now in the department as a "lower grade" clerk, this new examination gave him precedence over the men higher on the list, and he continued in the department.

On October 9, 1906, an attempt was made to transfer him from the Bridge to the Fire Department. Under the law no such transfer can be made within six months of the original appointment, and as less than five months had elapsed the Civil Service Commission refused to allow the transfer. Although thus declared illegal it was in fact carried out, an arrangement being made between the Fire Commissioner and the Superintendent of Bridges under which the man remained on the pay-roll of the Bridge Department for the remaining month, although he actually worked in the Fire Department. The appropriation for the Bridge Department thus lost, and that of the Fire Department gained, the difference. The legality of this is certainly questionable. On November 19, 1906, his pay was increased from \$420 to \$800, and on November 30, 1906, he was formally transferred to the Fire Department at \$800. After he had remained in the Fire Department a further six months his pay, on May 24, 1907, was raised to \$1,300. Thus we find a man receiving \$420 raised in a little more than six months to \$1,300. All this elaborate care and expenditure of time and thought on the part of the Mayor, the Fire Commissioner and the Superintendent of Bridges ought to have secured in the city's interest a very capable bookkeeper. The facts show that this was not the result.

In the purchase of supplies there is no public competition by advertisement. Large quantities of various articles are purchased upon bids invited from chosen dealers. The Fire Commissioner believes that he secures good results by this method, but this Commission has already criticised and condemned the practice in other departments and has no reason to believe that there should be any different rule here.

The Fire Commissioner has made a very favorable arrangement in the purchase of rubber tires for wheels for the fire apparatus, but through no fault of his own has failed to secure as large a discount as the city should receive. The business was given at the suggestion of the Mayor, without advertisement or competition, to a favored dealer, from whom a discount from the list price of 15 per cent. was received. This discount was entirely inadequate, for the usual discount to consumers was 30 per cent. The attention of the Fire Commissioner was called to this fact, and it was also suggested to him, that as the repair shop was doing construction work, it was entitled to the discount allowed to manufacturers, namely, 40 per cent. Acting upon this suggestion inquiries were made among various dealers, and an offer of 40 per cent. was received from a certain company. A contract drawn upon this basis was signed by the Fire Commissioner and submitted to the Mayor before being signed by the company. In the meanwhile the person who, through the Mayor's influence, had obtained the former contract, appealed directly to the company, objecting that the City of Boston was not a manufacturer within the trade meaning of that term, and should not be allowed 40 per cent. discount. The company thereupon declined to sign the contract. After a conference between the Mayor, the Fire Commissioner and this favored contractor, the latter was allowed to retain the business, but was obliged to increase his discount from 15 to 30 per cent. The Commission's investigation disclosed evidence of a combination among certain manufacturers of rubber tires which the Commission intends to submit to the United States District Attorney.

The cost of horse-shoeing as paid by the department

seems to the Commission excessive, when compared with the amount paid by large private enterprises.

After the coal investigation by the Commission, greater care seems to have been taken in the purchase of supplies. The Fire Commissioner stated that his, in common with other departments, was "braced up" by this investigation. In October, 1907, he adopted a definite standard of quality in the purchase of hay and grain, and issued a circular to all heads of fire companies, requiring careful inspection, and notifying them that they would be held responsible for failure in that respect.

The fire-alarm system is in fair condition. The report of the committee of twenty of the National Board of Fire Underwriters, in its general summary, says of it: "Well housed. Equipment up to a fair standard, but contains some undesirable features. Boxes of good type. Distribution only fair. Circuits both overhead and underground; some in somewhat deteriorated condition. Otherwise maintenance of system good; operation good." In its supplement of April, 1907, the committee states that its various recommendations for improvement were then being carried out. There has been an evident desire upon the part of the Fire Commissioner to introduce needed improvements. There has been a substantial increase of the force in this branch of the service. In one instance at least there has been a flagrant violation of the spirit of the law in the appointment and advancement of a political favorite. That this may be true of other appointments, and that a part of the increase is not justifiable, the Commission has reason to suspect, but it hesitates at this time to make any definite recommendations in view of the great importance and delicacy of the work. This certainly is no place for inefficiency, nor for an overburdened pay-roll, and a more careful inquiry into the situation should be made.

Criticism has been made of the noise caused by the more general use of whistles and sirens on apparatus going to fires. The additional cost is between \$7,000 and \$8,000. While this is a large sum and undoubtedly the noise is disagreeable, the Commission does not feel justified in recom-

mending its discontinuance. There have been several serious accidents through collision with, or in attempts to avoid, electric cars. The elevated structure is noisy, and motormen on surface cars cannot hear the ordinary signal through the glass windows in the vestibules of their cars. An accident of this kind results not only in damage to property, and sometimes to persons, but may throw the apparatus out of commission and thereby prevent its reaching the fire. The extra cost and discomfort is not to be weighed in the matter of fire protection.

The repair shop is established for the purpose of keeping the equipment of the department in proper repair. About the first of November, 1906, the Commissioner began the experiment of the construction of apparatus, and since then the shop has built eight pieces at a total estimated cost of about \$5,900. The claim is made that this apparatus if purchased from dealers would have cost about \$9,000, thus making a saving of about \$3,000. In this estimate only the labor and material are reckoned, and no charge is made for rent, heat, light or a fair proportion of the administration charges. Moreover, in consequence there has been added to the force or detailed from their duty as firemen additional workmen whose pay aggregated more than the amount supposed to have been saved. The Commission does not feel able to say at this time whether this innovation is wise.

The subject ought to be most carefully considered before its scope is enlarged. The repair shop is practically becoming a municipal plant for the building of fire apparatus.

There are detailed for work in the repair shop no less than ten men from the regular fire force, who are carried, not on the pay-roll of the repair shop, but upon that of their respective companies. Although detailed for this work they are counted as a part of the strength of their company. Thus one man is detailed as a harnessmaker, another as a blacksmith, another as a blacksmith's helper, and another as a storekeeper. On January 24, 1908, there were absent from their companies on various details, thirty-three men and three officers. They receive full firemen's pay, which in some instances is in excess of what the department would have to

pay if their places were filled from the civil service. Some have their liberty each day from 5 P.M. to 10 P.M., Saturday afternoon, Sunday and the "one day in five." It is a question how far this practice is justifiable. One of the pressing needs at the present time, according to the uniform testimony of the officers, is an increase in the fire force. Through the operation of the so-called "one day in five," absence at meal hours, vacations, sickness and details, it not infrequently happens that a company must appear at a fire with a very serious reduction of men. Take, for example, an engine company whose full complement is twelve — one-fifth are constantly absent through the working of the "one day in five," thus reducing the effective force at times to nine. At least one-third of the remaining force is absent on account of meals, which are taken by relay, the meal hours with slight intervals continuing from early morning until late afternoon. If there is sickness or injury, or a member is detailed elsewhere, it may thus happen that the engine will come to a fire with not exceeding four or five men, although there should be not less than seven. This shortage is increased in summer by vacation leaves. The need of men in this department vitally affecting the property and sometimes the lives of our citizens, and the lack of money to meet the need, emphasizes the wrong of "padded pay-rolls."

The department still continues to employ "call-men" in some districts. This is an antiquated method of guarding the city against fire, and the Fire Commissioner is anxious to abandon it whenever the financial situation will warrant. In this the Commission concurs. The entire department should be put upon a permanent basis as soon as possible.

In view of the financial condition of the city, the Commission asks consideration of the ordinance under which the members of the department are given a leave of one day off in five without loss of pay. The cost to the city for the extra day is about \$80,000 annually, and to this may be attributed the deficit last year of \$40,000. If there had been no such provision, not only would there have been no deficit, but the department would have had \$40,000 to meet the pressing need of more men, and the other demands upon it

for improving the service and protecting the city. In justice both to the employees and to the city's finances the Commission is convinced that the "one day in five" ordinance which was passed without due consideration in a period of political excitement should now be deliberately considered by the City Council.

The financial problem, in this as in other municipal departments, is serious. The expenses of the department for some years have shown a steady annual increase. The cost of maintenance alone was in

1903-04	.	.	.	.	.	.	.	.	.	\$1,309,558 87
1904-05	.	.	.	.	.	.	.	.	.	1,334,382 96
1905-06	.	.	.	.	.	.	.	.	.	1,341,448 01
1906-07	.	.	.	.	.	.	.	.	.	1,487,270 80
1907-08	.	.	.	.	.	.	.	.	.	1,511,323 86

The current year shows an expenditure of over \$40,000 in excess of the appropriation. The Fire Commissioner is not alone in this distinct violation of law. Other departments have exceeded their appropriation. He defends himself by claiming that his department, like that of the Police Department or Health Department, has a vital public duty to perform, and that what he conceives to be the interests of the public must rise above the law. He says, for example, that he must have a sufficient number of men and horses; that he cannot control the price of hay and grain; that he must have coal, whatever it costs; that his equipment must be kept in a high state of efficiency. All this is plausible, but carried to its logical conclusion would mean that there can be no restraint of any kind upon him if he believes the expenditure necessary for the safety of the city. He is thus made the sole judge, regardless of law. This is a frame of mind which he shares with very many city officials. It is a part of the municipal atmosphere which they breathe.

The Fire Commissioner states that he sought and obtained the Mayor's sanction to exceed the appropriation, but this is no defence, as the Mayor had no legal right to suspend the laws and ordinances.

The Commission feels that a law should be observed or repealed. The law is positive that no head of a department

shall exceed his appropriation. The Commission believes that every head of a department when he knows that he is living beyond his means should call the immediate attention of the city government to the fact, and, if it refuses to increase his appropriation, should reduce his expenditures at whatever cost. If the Fire Commissioner had done this he would have thrown upon those to whom it properly belonged the responsibility of leaving the city partially protected against fire. The attention of the community might have been aroused, and public opinion might have been strong enough to demand a stoppage of waste in other directions in the face of this pressing need. If such action were taken by every department there would be less squandering of the city's money. It is the prevailing belief that somehow in the last resort money will be found somewhere that causes much of the disorder in municipal finances.

The Commission is satisfied that, while there has been nothing which could be called gross extravagance in the department, there has not been that rigid economy which there should have been in view of a \$40,000 deficit. Desirable improvements have been made which might have waited, as other equally desirable improvements are now waiting.

The Commission recommends :

1. The immediate and permanent divorce of all political considerations from the department. It should be made so plain that no person however sceptical can doubt that merit alone is to govern all matters affecting the fire force, and any attempt to secure advancement through influence should count against the person making it.

2. The rule of the department forbidding political activity and the joining of any club organized or used for that purpose should be strictly enforced. The rule is a good one, the men assented to it when they joined the force, and any violation is a breach of their contract which seriously affects the morale of the service.

3. The period of probation before new men can become permanent members of the force should be extended. The present period of six months is not

long enough to test a man's fire fighting capacity. In the schools a teacher's tenure becomes permanent only after three annual appointments. A somewhat similar rule would be helpful in the Fire Department, although as long a period of probation as three years would probably not be necessary. Both the Fire Commissioner and the Chief of Department approve of this recommendation.

4. Careful watch should be kept over the men and their habits. In the interest of the honest, temperate, capable, ambitious men who constitute an overwhelming majority of the force, as well as in the interests of the city, the small minority of morally weak men should be weeded out. Every story of theft or of intoxication, or even of slovenly habits, hurts the entire department. Those who have not its honor sufficiently at heart to behave themselves with propriety should give place to others who have. This is something which affects personally each member of the force, as in such matters the innocent suffer in public estimation equally with the guilty.

5. A careful study of the situation in the fire-alarm department and the supply department should be made, and all unnecessary or inefficient employees should be dispensed with.

6. A similar study should be made of the problem of the further building of apparatus in the repair shop.

7. Tests, at least once a year, should be made of all appliances subject to deterioration, particularly of hose. No such general test has been made within the last eighteen months. One is now being made at the suggestion of the Commission. Hose is bought on a five-year guarantee, and there is no reason to doubt that most of that used by the department is in good condition; but in view of the reports of the recent experience of New York frequent tests are necessary.

8. A careful consideration should be had of the ordinance allowing one day off in five.

9. In making appropriations for the ensuing year,

provision should be made only for the absolute necessities of the department. No improvements, however desirable, should be undertaken which can be postponed with safety.

10. The appropriation once made, no excuse should be accepted if it is exceeded. In case of emergency, application should be made at once to the appropriating power, and the responsibility of granting relief thrown upon it.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE CONSOLIDA-
TION OF STREET, STREET CLEANING AND
WATERING, BRIDGE, SANITARY, LAMP, AND
SEWER DEPARTMENTS.

BOSTON, MASS., January 31, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — The consideration which the Finance Commission has given to the Street, Street Cleaning and Watering, Bridge, Sanitary, Lamp, and Sewer Departments has convinced it that these departments should be consolidated and placed in charge of a trained and competent man.

This consolidation can be effected by the Mayor and City Council without action by the State Legislature.

Under the present system there is much duplication of work, unnecessary expense, and a lack of needed co-operation. It will be difficult, if not impossible, to reorganize these departments as they should be unless they are placed in charge of a single head.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.



COMMUNICATION TO THE MAYOR RELATING
TO THE SUPERINTENDENT OF LONG
ISLAND.

Boston, February 4, 1908.

To the Honorable the Mayor of the City of Boston :

SIR,—The Finance Commission has learned that the Pauper Institutions Trustees have voted to accept the resignation of the superintendent at Long Island, to take effect April 30, 1908, and to grant him leave of absence with pay for the months of March and April. Under this arrangement although his services will terminate on the first day of March, he will receive salary for two months during which time no services will be rendered by him.

The city enters upon the new financial year with a deficit of about \$100,000, and every dollar of its revenue is required for its legitimate purposes. At a time when necessarily laborers in large numbers are being discharged and salaries are being reduced, generosity in awarding the money of the taxpayers to retiring officials is out of place. The Commission advises against the establishment of such a precedent. At all events, no gratuity should be given to an official whose services would long since have been dispensed with if the city's interests alone had been consulted.

The Commission has not been able to give the administration at Long Island the full investigation it desired to. In September last it sought the information necessary for a complete investigation, but failed to obtain it owing to the department's neglect to keep its books in a proper manner. It has in its possession, however, sufficient evidence to establish the fact that the quality of service rendered by the superintendent is not such as to merit any reward; but, on the contrary, to demand his immediate discharge.

The Commission recommends that the superintendent be at once discharged without further compensation.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING
TO INCANDESCENT ELECTRIC LIGHTING.

Boston, February 5, 1908.

To the Honorable the Mayor of the City of Boston :

SIR,—The Commission has reason to believe that the city has for many years paid much higher rates than it should have paid for incandescent electric lights used in the public buildings, on the bridges, and elsewhere.

Previous to the year 1904, different rates were paid by the several departments for lighting the public buildings, the average price being 15 cents per kilowatt hour.

On June 1, 1904, a five year contract was made between the city and the Edison Electric Illuminating Company, whereby all current for incandescent lighting was to be charged for at the rate of 10 cents per kilowatt hour.

Although this rate resulted in a reduction of one-third in the amount then charged, it was thought at the time to be too high ; but the only alternative contract which it seemed possible to negotiate was on the complicated "maximum demand" basis, which did not meet the approval of the Mayor. Such a contract would have resulted in a great variety of prices and rates for the numerous city buildings and offices, would have been difficult for the public to understand, and for reasons of simplicity the Mayor was satisfied to accept the easily understood rate of 10 cents per kilowatt hour.

The city is now paying about \$91,000 per year for incandescent lighting furnished through 213 meters.

The company's regular schedules have now been somewhat simplified and, in the opinion of the Finance Commission, the contract of June 1, 1904, which still has a year and a third to run, should be abrogated if a better arrangement can be effected with the company.

The general agent of the company has furnished the Commission with an estimate of what the city would have paid during the first six months of 1907 had the service been billed at the "regular contract rates" which are offered to all its customers. According to this estimate the city would have paid only \$38,698.34 under schedules of the "regular contract rates," while it paid \$45,561.69 under its contract; and the annual saving would be about \$13,700 or 15 per cent. of the total bill.

A still further reduction of about \$1,000 per year could be made by having the City Hall, the Old Court House and the Probate and Historical Society Building put upon one meter, thus getting the benefit of the "wholesale discount" resulting from the large use of current at these places.

The Edison Company has expressed its desire to cancel the contract of June 1, 1904, and to sell current at its regular contract rates, which should result — according to the estimate — in a saving to the city of about \$15,000 per year under the same condition of use as heretofore.

The Finance Commission, therefore, recommends that the contract of June 1, 1904, be cancelled and that a new contract be made with the Edison Company. Such contract should provide that it may be cancelled by the city upon three months' notice, and that the city shall have the benefit of any future reduction in rates made to other consumers.

A further reduction of about \$35,000 per annum may be effected if the city should be treated as one customer in so far as the "wholesale discounts" are concerned, and the Commission believes that the city should be so treated.

Under the company's regular schedule, as now constructed, the price of incandescent lighting is dependent in the first instance upon the amount of current consumed and upon the "maximum demand" of the service installed; in addition to which certain discounts are allowed upon the excess of the monthly bills above a certain amount. These so-called "wholesale discounts" are based solely on the amount of business given to the company, and, so far as the Commission can see, the percentage of discount in no way depends upon the company's "preparedness for service," which is one of

the controlling factors of the regular schedule. They appear to be purely competitive discounts, made to secure the trade of large consumers who might otherwise have recourse to private lighting plants or illuminating gas. The Commission can see no reason why these wholesale discounts should not be accorded to large consumers who are supplied through meters in different buildings as well as to large consumers on a single meter. In view of the fact that the city is one of the company's largest consumers, the Commission recommends that the city be treated by the company, so far as the "wholesale discounts" are concerned, as a single customer, and the discount struck upon the total monthly bills rendered for all the city buildings.

If these suggestions can be carried out the annual saving to the city in its incandescent electric lighting bills will be nearly \$48,000 per annum, on the basis of last year's bills.

The cost to the city of lighting streets and parks by electric arc lamps, and otherwise, is being considered by the Commission and will be the subject of a future report.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING
TO THE ANNUAL DEPARTMENT REPORTS.

Boston, February 5, 1908.

To the Honorable the Mayor of the City of Boston :

SIR, — Before the annual department reports for the fiscal year 1907-08 are submitted, the Finance Commission desires to direct the attention of the City Government to the defective character in some respects of these reports as hitherto printed.

The department reports of the City of Boston contain a great deal of useful information. Some of them, however, contain too much; that is, they contain information which is not of sufficient value to warrant the expense of printing. There is also some duplication of work. The Commission is of the opinion that a relatively small but not negligible economy may be effected by eliminating some of the materials which the departments have been in the habit of publishing from year to year.

On the other hand, the reports of the construction departments of the City Government are deficient in information, which if published would be of great value to the City Government and the citizens at large. Without this information, it is impossible to ascertain either the cost of the work that is being done or the relative cost of the same in comparison with corresponding figures for previous years. In former years it was the practice of some of these departments to publish unit cost tables — in which the cost of each job per linear foot, per square yard, per cubic yard, etc. (as the case may be), was given — or data from which unit costs could be computed; but during the past ten years these statistics have been dropped one by one. At the present time very little information of this sort is collected and kept in the several departments, and still less is published.

Reference is particularly made to the annual reports of the Street, Street Cleaning and Watering, Sanitary, Sewer, and Water Departments. The reports of these departments for a series of years have been carefully examined at the request of the Commission by Messrs. Metcalf & Eddy, Civil Engineers, and have been compared with those now published, with the following results:

WATER DEPARTMENT.

Until 1899 the unit cost of some portions of the work done by this department were given in the annual reports; but this information did not sufficiently cover the work of the department. Since 1899 no information of this character has appeared in the reports.

SEWER DEPARTMENT.

In the reports for 1896 and prior years the unit costs for contract work were given; and the reports between 1891 and 1899 contain data from which the cost per unit of the work done by the day could be figured out. The data were, however, not so complete as they should be. Between 1898 and 1906 no unit prices have been given for either contract or day work. The report for 1906-07 follows practically the same lines as those between 1900 and 1906, with some additions, containing, however, much less information than had been furnished prior to 1900.

No complete record of sewer assessments has been published since the report for the year 1893-94. This report gives the record for that year in detail, while the report for 1892-93 contained a summarized statement for the years between 1882 and 1891. These tables contained data showing the total expenditures of the Sewer Division, the amount expended for construction, the amount of assessments levied, the amount received by the city collector, the amounts of the assessments abated, the amount of assessments collected and the amount of the assessments uncollected. There has been a great falling off in recent years in the ratio of assessments to construction cost, and if information of the character contained in the reports just referred to had been continued

in the subsequent reports it is possible that the community would have realized what was going on and would have insisted upon a reform of the present system.

STREET CLEANING AND WATERING.

Between 1891 and 1895 the reports contained data from which the unit cost per square foot for street cleaning could be figured out. The reports since 1895 omit these data. The figures now given indicating the cost per mile are of little value, as the widths of the streets are not given.

SANITARY DEPARTMENT.

Prior to 1900 the unit costs were given, but some of these tables were discontinued in 1902, and the remainder in 1905, since which time nothing of any considerable value is to be found in the annual reports of this department. There are no unit costs or figures which are of any value whatever for comparison with records kept elsewhere.

STREET DEPARTMENT (PAVING DIVISION).

Between 1891 and 1896 data were given from which the unit costs could be figured out both on contract and day labor work. Since 1896 no sufficient data are found for the day labor work, and none since 1901 for the contract work.

Exception should perhaps be made for the tables found in the reports, 1901, 1902, 1905, and 1906, relating to the repairs on asphalt pavements. The report for 1906-07 is characterized by the same lack of data as the other reports since 1898, with the exception of the table of streets paved with a smooth surface.

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It will be seen that since 1895 or 1896 no unit cost tables and no data from which these figures can be computed are to be found in the annual reports of any of the departments in question. No report has contained a complete account of the method of awarding the contracts given out.

The absence of this information has very much delayed the work of the Finance Commission and its agents in the

investigation of these departments, and the cost of its work has been much more than it would have been if the system of annual reports formerly adopted had been continued to the present time.

Contemporaneously with the much needed reorganization of these departments a proper, up-to-date and full system of accounts and reports should be inaugurated; and the system should be applied, so far as possible, to the annual reports for the fiscal year now terminating, in order to serve as a basis for comparison with the work of subsequent years.

The Commission recommends that the heads of the departments in question be requested to make up their reports for the fiscal year 1907-08 in conformity with the suggestions contained in this communication, and to confer with Messrs. Metcalf & Eddy respecting the form which their reports should take; also that the reports contain a full account of the method by which contracts have been awarded.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING
TO HOUSE BILL No. 984.

BOSTON, MASS., February 15, 1908.

To the Honorable the Mayor of Boston :

SIR, — There is pending before the Committee on Cities of the State Legislature a bill (House No. 984), embodying the petition of Charles Warren, Chairman of the Civil Service Commission, and others, to provide that all salaries, bills and accounts for salaries or compensations of persons in the employ of the City of Boston, before payment, shall bear the certification of the Civil Service Commission.

The Finance Commission, through its investigations, is convinced that a measure of the character embodied in this bill would be for the interest of the city.

A similar law is in force in New York and Illinois, and seems to be accomplishing satisfactory results. The experience of New York shows that there need be no appreciable delay in payments caused by the operation of the law.

The Commission recommends that the passage of this law be approved officially on behalf of the City of Boston.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING
TO THE COAL DELIVERED TO THE
PAUPER INSTITUTIONS UNDER THE CON-
TRACT WITH THE MARYLAND COAL AND
COKE COMPANY OF DECEMBER 18, 1907.

Boston, February 21, 1908.

HONORABLE GEORGE A. HIBBARD, *Mayor* :

SIR, — Last fall the Finance Commission publicly exposed a number of deliberate frauds upon the city which were being perpetrated by certain coal dealers, wherein false bills of lading, false weights and inferior coals were accepted by the city authorities.

It was shown that at the Pauper Institutions on Long Island coal of a different and inferior kind from that called for by the contract had been delivered, the Trustees and the Superintendent being ignorant of the facts until they were disclosed by the investigations of this Commission.

In November last the Trustees of the Pauper Institutions invited bids for 2,500 tons of "New River, Georges Creek or Pocahontas coal, to be of the best quality, delivered in the bins of the Almshouse and Hospital on Long Island." There were four bids, the lowest being for "Big Vein Georges Creek Cumberland" at \$4.57 per ton of 2,240 pounds. This coal is well known as the best of Georges Creek coal, and has a special standing and commands a special price. It comes from Maryland. The contract was awarded to this bidder, the "Maryland Coal and Coke Company."

Over 2,500 tons of coal have been delivered by this company at Long Island ostensibly under this contract, but not one pound of it is Big Vein Georges Creek of the best or any quality, nor did any of it come from the Georges Creek district, or from anywhere else in the State of Maryland. The coal came from a Pennsylvania mining district known as

South Fork, and is in every way an inferior coal to that called for by the contract. It came in four lots, all on vessels sailing from Philadelphia, each under a bill of lading falsely describing the coal as "Maryland Big Vein Georges Creek Coal." An expert chemist was employed by the Trustees to make an analysis of the coal. He reported that it was of an inferior grade, with a great deal of moisture, a high per cent. of ash, and an insufficient percentage of heat efficiency, and that it could not be Georges Creek coal. The attention of the Boston agents of the company being called to the matter, they stated positively, both in writing and in conversation, that the coal was Big Vein Georges Creek from Maryland, and pointed to the bills of lading as conclusive evidence of that fact, going so far as to point out the exact place on the map in Maryland where it is claimed that the coal was taken from a mine alleged to be owned by the contracting company.

Investigation satisfied this Commission that these statements were untrue, and the president of the company was invited to appear before the Commission. He did so, and stated that the company owned no mines in Maryland or elsewhere, admitted that the coal was not Georges Creek, but stated that it came from the above mentioned district in Pennsylvania. He claimed that it was equal in quality to the coal contracted for, but this claim is refuted by the expert's analysis.

The company makes the further claim that it is a well known and common practice among coal dealers to ship coal of the same standard as coal of another name that comes from a different section. Such a practice, if it exists, would not justify the transaction in question. In this case the coal shipped was not of the standard contracted for, but was of a distinctly inferior grade. Even if the practice of substitution existed it should not be tolerated, because it would require the city in each case to engage experts and possibly to have recourse to litigation to determine the relative value of the coal contracted for and the coal delivered. Such a substitution suggests fraudulent motives, and in every case examined by the Commission the substitute coal has been

inferior. Where a contractor agrees to deliver a particular kind of coal, the substitution of any other kind, without the consent of the city, is a breach of contract.

The Trustees have informed the Commission that the company is willing to make a discount by way of compromise on part of the shipment.

The Commission believes that no compromise of any kind should be made in this case. There never was any intention on the part of the Maryland Coal and Coke Company to deliver the kind of coal contracted for; the intention from the beginning was to deliver a different kind of coal, and the dealer in obtaining the contract with this undisclosed intent took an unfair advantage not only of the city, but of other bidders in competition.

The transaction should be so treated that there can be no temptation for anybody to repeat it so far as Boston is concerned. The company should be requested to take the coal from the city's bins, and payment for the same at any price should be refused. That anyone should have the effrontery to attempt such a transaction at the very time of the exposure of similar practices seems incredible. Evidently publicity alone is not a remedy; and a compromise under the circumstances is a mere challenge to a repetition of the offence.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE CITY COUNCIL
RELATING TO THE EXPENDITURES
OF THE FINANCE COMMISSION.

BOSTON, MASS., February 24, 1908.

To the Honorable the City Council of Boston :

GENTLEMEN, — I am directed by the Finance Commission to send you a statement of the disbursements of the Commission to February 15, 1908.

I enclose a monthly statement and a classification of the expenditures of the Commission.

Respectfully submitted,

REGINALD MOTT HULL,
Assistant Secretary.

Statement of Finance Commission, February 15, 1908.

Appropriation		\$50,000 00
Disbursements in August,	\$459 92	
" September,	3,567 60	
" October,	4,828 59	
" November,	6,771 13	
" December,	8,427 47	
Disbursements in January,		
1908	3,650 58	
Disbursements to February		
15, 1908	4,466 63	
	\$32,166 92	
Unpaid bills of experts	7,257 68	
	39,424 60	
Unexpended balance		\$10,575 40

Classification of Expenditures to February 15, 1908.

MONTHS.	Running Expenses.	Rent.	Investigation.	Furniture and Typewriters.	Testimony.	Experts.	Total.
August	\$459 92	.....	.....	.....	.....	.....	\$459 92
September..	1,466 23	\$69 45	.....	\$424 50	\$1,155 63	\$451 80	3,567 80
October.....	1,232 95	106 50	\$655 77	135 75	266 42	2,426 20	4,823 59
November..	1,166 91	120 83	419 35	.....	765 63	4,398 41	6,771 13
December..	1,264 78	120 83	638 86	78 75	406 62	5,928 63	8,437 47
January.....	1,579 59	241 66	424 21	16 00	393 08	1,197 09	3,650 56
February*..	958 89	120 83	414 71	54 00	363 43	2,554 78	4,466 63
Totals.....	\$7,929 27	\$780 10	\$2,542 90	\$709 00	\$3,348 74	\$16,856 91	\$32,166 92
Unpaid bills of experts.....							7,257 68
							<u>\$39,424 60</u>

* This covers expenditures to February 15, not including weekly pay-rolls.

COMMUNICATION TO THE MAYOR RELATING
TO A PROPOSED LOAN OF \$300,000 FOR
SEWERAGE WORKS.

Boston, February 25, 1906.

HONORABLE GEORGE A. HIBBARD, *Mayor* :

SIR, — Before the pending order for borrowing \$300,000 for sewerage works is passed or approved, the Finance Commission desires to express its opinion that the money thus borrowed should be reckoned within the debt limit, in case the Legislature passes the bill now under consideration, permitting this to be done. It urges that the contemplated act apply to all loans issued during the current year whether before or after the passage of the act; and suggests that in the meantime it would be wise to notify the City Council that if the money in question is borrowed, in the first instance, outside the debt limit, it will subsequently be reckoned within the debt limit if the act in question is passed.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING
TO CERTAIN BIDS FOR COAL FOR THE
PENAL INSTITUTIONS DEPARTMENT.

Boston, February 25, 1908.

HONORABLE GEORGE A. HIBBARD, *Mayor*:

SIR, — In response to your communication of February 24, 1908, the Finance Commission begs to say that it has considered the bids enclosed with your letter, has secured from each bidder, except the highest, a statement of the mines from which he is willing to agree to furnish coal, and has received expert advice upon the subject.

The Commission is of the opinion that the best bid for the city to accept is that of the Spring Coal Company, for Pocahontas coal at \$3.60 per ton of 2,240 pounds, provided,

1. That the contractor shall specify in the contract that he will furnish coal from the mines of the Spring Coal Mining Company, Springton, Mercer County, West Virginia, from the No. 3 Pocahontas seam, located in the Flat Top Mountains;
2. That the coal be of the best quality of Pocahontas coal;
3. That the printed clause stricken out on page 7 in the bid be inserted in the contract as signed.

The Finance Commission understands that this company will accept these conditions, and it accordingly recommends that the contract be entered into in accordance therewith.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO A COMMITTEE OF CITI-
ZENS RELATING TO A SPECIAL COMMISSION
TO DRAFT A NEW CITY CHARTER.

BOSTON, February 25, 1908.

FREDERICK P. FISH, ESQ.,

84 State Street, Boston, Mass.:

DEAR SIR, — In reply to your letter of February 25 for the "Committee of Seven," the Finance Commission begs to say that at the present time it cannot advise either as to the general question of the necessity of a new city charter or as to any specific form of charter.

The work of the Commission is only partly performed. Its completion will occupy a large part of the present year. From time to time the Commission has made recommendations, and it will continue to do so as occasion may arise. It hopes that before the year ends it will be able from its investigations and its hearings, both public and private, to make a complete report to the Mayor and City Council of the results of its labors, from which there may be made at the close of the year such suggestions to the Legislature of 1909 as may be deemed for the interests of the city.

The Commission will welcome the views of any person or body of persons which will enable it to discharge this duty, and intends to give hearings at which any person interested may appear and present such views.

The Commission believes that the framing of a new charter at the present time would be premature, and that a thorough and exhaustive investigation of expenditures and administration should be made and completed before the general principles which underlie the subject can be intelligently dealt with. Most of the evils of municipal government in this city are due to defective administrative methods growing out of political motives, rather than to faults in the city's organic law.

The Commission does not believe that \$30,000 or any other sum should be expended by the City of Boston for a Charter Revision Commission.

Very truly yours,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING
TO THE PROPER METHODS OF BUYING
COAL.

Boston, February 27, 1908.

HONORABLE GEORGE A. HIBBARD, *Mayor* :

SIR, — The Finance Commission desires to call the attention of Your Honor to the opportunity now presented to make provision for the year's supply of bituminous steam coal, estimated approximately at 40,000 tons.

The Commission is informed that the present is an opportune time to invite bids for the supply of the several departments using this kind of coal, and suggests that it would be well for the city government to consider the advisability of buying now or early in the spring all the coal that will be needed during the current year.

The practice in the city hitherto has been to buy at inopportune periods and in small quantities ; each department purchasing from time to time a portion of its annual requirements. The Commission recommends that the city, as one of the largest consumers of bituminous coal in this community, should follow the practice obtaining among other large consumers and place its orders for the entire year at the most favorable season, which the Commission understands to be in the late winter or early spring.

By purchasing all its coal at the right season, instead of distributing its orders throughout the year, as has hitherto been done, the Commission believes that the city will secure its coal at the lowest prices. The Commission is also of the opinion that the city can obtain a better price by buying all its coal for the year on the basis of a single competition, than it can by permitting the several departments to split their purchases into numerous small amounts, even though all the separate purchases be made after public competition.

The Commission believes, therefore, that the city should advertise, as soon as Your Honor is convinced that the

proper time has arrived, for all the bituminous coal it is likely to need during the current year, and recommends that bids be solicited by advertising in the alternative upon the following plan :

1. Bids for Pocahontas, New River, or Georges Creek Big Vein coal, mined in Maryland, the best of its kind in each case ; the bidder being required to specify the kind of coal to be delivered, and its point of origin with definite limits as to heat efficiency and percentage of ash.

2. Bids on specifications founded on a valuation basis depending on heat efficiency and tests for ash, sulphur and moisture. The specifications referred to should be prepared by an expert, and if you desire, the Commission will assist in their preparation.

Owing to the insufficiency of storage facilities it will be necessary to provide that the coal shall be delivered to the several departments as required ; and owing to the provisions of the Charter Amendments of 1885 it may be necessary for the several heads of the departments to join in or agree to the advertisement. The Commission, if desired, will assist in the preparation of the advertisements.

The competition should be given the widest publicity by advertising in Boston, New York, Philadelphia and Baltimore, and copies of the advertisement should be sent to every large operator and dealer in coal in each of these cities.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE COMMITTEE ON
METROPOLITAN AFFAIRS RELATING TO
LEGISLATION RECOMMENDED BY THE
FINANCE COMMISSION.

BOSTON, February 27, 1908.

To the Committee on Metropolitan Affairs:

GENTLEMEN,—In the order of the City Council under which the Finance Commission was appointed, as well as in the supplementary Act passed by the Legislature of 1907, no provision was made for reports to the Legislature. The Commission has, therefore, not deemed it within its province to petition the General Court for the enactment of new laws affecting the City of Boston. It has, however, from time to time, submitted various recommendations to the city government respecting new legislation, and it takes this opportunity to present to your committee a list of these suggestions.

The measures thus far recommended by the Commission are as follows:

1. The Commission has found it to be the practice of members of the City Council and of the Legislature to engage in the business of selling goods to the city, and of becoming silent partners of men having contracts with the city, the only contribution of such Aldermen, Councilmen and members of the Legislature, being political influence, and the result to the city being a financial loss. The Commission, therefore, recommended that Revised Laws, chapter 216, section 9, be made more definite and certain, so as to apply beyond all doubt to members of the City Council of Boston, and broadened so as to include members of the State Legislature who represent Boston districts; and that the law should provide that any city contract obnoxious to its provisions shall be void, and that all moneys paid under it may be recovered back.

2. That all contracts exceeding \$2,000 in amount should be awarded after public advertisement and competition, unless some special exigency exists, and the head of the department furnishes the Mayor with a written statement giving in detail his reasons for not inviting bids by advertisement; and that Statute 1885, chapter 266, section 6, and Statute 1890, chapter 418, section 4 and section 6 be amended in this sense.

3. That the Mayor be given power to reduce any item in an appropriation or loan bill, as well as to strike it out entirely, subject to the right of the City Council by a two-thirds vote of both branches to restore the item to its original figure.

4. That the Mayor be given a veto power over all appropriations and votes of the Board of Aldermen acting as County Commissioners.

5. That it be made a punishable offence for any head of a department intentionally to permit the expenditures of his department to exceed the appropriation therefor, except in cases of extreme emergency.

6. That the Boston Insane Hospital be transferred to the Commonwealth upon equitable terms of purchase.

7. That the provisions of Statute 1903, chapter 268, and Statute 1907, chapter 485, which prohibit the city from raising money for sewer construction from taxes or loans inside the debt limit be repealed.

8. That House Document 984, being a bill to provide that all salaries, bills and accounts for the compensation of persons in the employ of the city shall be certified by the Civil Service Commission before payment.

9. That all employees in the Collecting, Treasury and Weights and Measures departments be placed under the rules of the Civil Service Commission.

10. That Statute 1904, chapter 314, be repealed.

11. That a law should be enacted giving the Board of Health authority to inspect the places of business of physicians and other persons who advertise cures for private diseases.

12. That the laws relating to dealers who sell "bob" veal, tainted meat, or unwholesome provisions should be amended so as to make convictions easier.

13. That the city be permitted to acquire land by eminent domain for any public use.

14. That no increases in salaries or wages be permitted except at the beginning of a fiscal year.

The Commission sends herewith a copy of its communications to the city government so far as printed.

Very respectfully,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE CONSOLIDA-
TION OF DEPARTMENTS AND TO REDUC-
TIONS IN SALARIES OF HEADS OF DEPART-
MENTS, DEPUTIES AND ASSISTANTS.

BOSTON, February 29, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — The excessive number of employees in every grade of the public service, and the excessive salaries paid to all classes of employees, are among the main causes for the present condition of the city finances; and the Finance Commission is satisfied that there should be a large reduction both in the number of salaried employees, and in the salaries paid to those who remain in the service.

This reform, in the opinion of the Commission, should begin with the heads of departments; or, at least, reductions in number and salaries should be made in this class of employees simultaneously, so far as practicable, with similar reductions in the clerical force. The fact that the number and salaries of heads of departments are greater than necessary leads their subordinates to believe that they also are entitled to salaries out of proportion to their work; and the same political arguments being applicable to both classes, the result has been a gradual and entirely unjustifiable increase, both as to number and individual salaries in the monthly pay-rolls.

The salaries paid to the clerks, bookkeepers, and other subordinates in the various departments by the month or year are being investigated, and the Commission expects to report thereon in due course.

This report is confined to the heads of departments, deputies and assistants owing their appointments directly to the Mayor, and to superintendents under unpaid Boards, who are practically the executive heads of their departments. There are other persons in the employ of the city variously designated

as secretaries, assistant secretaries, etc., whose salaries appear to be excessive and whose case will be made the subject of a future report.

The Commission believes that some of these unnecessary offices should be abolished, thus saving entirely the salaries attached to them, and that the salaries attached to certain of the remaining offices should be reduced.

Assessing Department. — There are nine principal assessors paid \$4,000 each, with \$500 extra for the chairman and \$200 for the secretary. This is \$1,000 each more than was paid in 1895. There has been an increase of 48 per cent. in the expenditure since that date for assistants and clerk-hire. There has been no increase in responsibility or work sufficient to justify these increases. In view of all the facts, the Commission believes that there is no longer need for nine principal assessors, and recommends that the number be reduced to five. It also believes that their salaries should be reduced to \$3,500 each, with \$500 extra for the chairman and \$200 extra for the secretary.

Cemetery Department. — The superintendent receives a salary of \$4,000, besides a house with light and fuel and the use of a horse and stable. The amounts paid in the private cemeteries in and about Boston are, with a single exception, much below, and in one case only equal to this amount. The Commission believes that \$3,000 in addition to house rent, light, and fuel is an ample and liberal salary, and that the compensation of the superintendent should be reduced to this figure.

City Messenger, Clerk of Committees and Clerk of Common Council. — There should be an entire reorganization of the offices connected with the City Council, and this subject will be considered in a separate report. In the meantime the Commission recommends the immediate abolition of the departments of Clerk of Committees and Clerk of Common Council and that their duties be transferred to the City Clerk and City Messenger Departments. A salary of \$2,500 is ample compensation for the duties performed by the City Messenger, and the Commission recommends that his salary be established at this figure.

Lamp Department. — The Commission has already recommended that this department be abolished and consolidated with the Street Department, and renews the recommendation.

Public Grounds Department. — The Commission recommends that this department be consolidated with the Park Department, and that the duties now imposed upon it by ordinance be transferred to the Board of Park Commissioners. The present division of authority between these two departments is illogical, confusing and expensive. The similarity of purpose and duties points inevitably to the necessity for their control by one head.

Soldiers' Relief. — The commissioner at present receives \$3,500. The character and extent of work performed, when compared with that of the heads of other departments and the pay received by them, does not warrant so large a salary. The question is one of proportion, and in this view the Commission believes that \$3,000 is an ample salary for this office.

Treasury Department. — The City Treasurer receives a salary nominally of \$6,000, but his real compensation aggregates \$8,280. In addition to the \$6,000 which he receives as City Treasurer, he is paid three other salaries, aggregating \$2,280, net, for work in connection with the Sinking Funds, the County of Suffolk, and the Public School Teachers' Retirement Fund. Even with these duties he is not obliged to devote his whole time to his office, but can attend to other work. The Commission recommends that these salaries be readjusted so that the net compensation for all the duties performed by the City Treasurer shall be \$6,000 annually.

Water Department. — The Commission can see no reason for the employment of three assistant Water Commissioners, and renews its recommendation of January 21, 1908, that these offices be abolished, and that the statute authorizing them (Acts of 1885, chapter 449, section 20) be repealed.

Weights and Measures. — The sealer receives \$3,000 annually and his ten deputies \$1,600 each. A careful investigation of the work of this department satisfies the Commission that \$2,500 for the sealer, and \$1,200 for each of his deputies, will be a very liberal compensation. The Commission renews its recommendation that the ordinance passed

June 1, 1907, authorizing the appointment of eight additional deputy sealers be repealed. The Commission also believes that this entire department should be transferred to the Police Department, and that the necessary legislation should be requested.

Wire Department.— The Commission believes that this department should be abolished, and its duties transferred to the Building Department.

It should be stated that these recommendations are based exclusively upon a consideration of the duties and responsibilities of the several offices, and not with any regard to the individuals now holding them.

All the changes and reductions suggested in this report can be effected by the City Council or the Mayor without action by the Legislature, except in the cases of the Wire and Weights and Measures Departments. Even if the Legislature does not authorize the transfer of the Weights and Measures Department, the City Council may reduce the salaries in that department as herein recommended.

If the recommendations herein made are adopted, a direct saving of about \$65,000 can be made in the salaries of heads of departments, superintendents and deputies. If the departments of Clerk of Committees, Clerk of Common Council, and Wires are abolished, a further saving should be effected of about \$32,000, or 50 per cent. of the present pay-roll.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE STONE-
CRUSHING BUSINESS CARRIED ON BY
THE STREET DEPARTMENT.

BOSTON, March 2, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — For many years the city has carried on the business of crushing stone under the direction of the Street Department, and as the controlling influence has been political there has been the usual resultant of waste and extravagance which like a dry rot seems to permeate the municipal system. During the past twelve years the city has lost very nearly a million of dollars in this one item of stone crushing.

The Commission has had a careful investigation made through its consulting engineer, Mr. S. Whinery, with the assistance of Messrs. Metcalf & Eddy, and has received an elaborate report upon the subject, which with appendices, and a supplemental report covering the operations in the year 1907, may be consulted at the office of the Commission.

From these reports and other information collected by the Commission the following facts appear:

The city has eight stone-crushing plants, three of which are situated on land owned by the city, and the remaining five on land leased from various parties. The original cost of these eight plants (excluding the land) was approximately \$120,000. Their present value to a contractor having use for the machinery would be about \$67,000, a shrinkage in value of over \$50,000, and the dismantlement value, or the amount the plants would bring if sold for removal, is about \$30,000, a shrinkage from the original cost of about \$90,000. As an offset to this shrinkage of value in the plant there may be a possible increase in the market value of the real estate upon which three of the plants are situated, but the amount of this offset is problematical.

Crushed stone can be bought in the open market, if bids are invited under proper conditions, at approximately \$1.10 per ton of 2,000 pounds. In larger quantities under a contract covering a term of years it can probably be obtained for less. This is exclusive of the cost of carting the stone in Boston to the places where it is to be used. The city bought a part of its needs in 1907 (including delivery on streets) at from \$1.40 to \$1.60 per ton, which, deducting cost of delivery, is equivalent to from \$1 to \$1.20 at the crusher. The Boston Transit Commission bought at substantially these figures, as did also the Metropolitan Park Commission.

The actual cost through its own plants to the city at the crusher (exclusive of the expense of carting to the place where used, but including an allowance for interest and depreciation) has been for the ten years 1897 to 1906 an average of \$1.60 per ton of 2,000 pounds. Though the production in 1906 fell far below 1905 the pay-rolls were not sufficiently reduced, and the cost of production rose from \$1.47 per ton in 1905 to \$2.85 in 1906. In 1907 the cost increased to the extraordinary figure of \$3.24 per ton, the latter being about two and three-quarters times the amount the city would have paid if it had had no crushers and had bought the stone in the open market. This difference in cost per ton multiplied by the number of tons crushed makes a loss to the city in 1906 of about \$110,000, and in 1907 of about \$69,000; an aggregate loss during the two years of about \$179,000, or 60 per cent. of the total amount paid.

This abnormal increase in cost is due to the fact that the stone-crushing plants have been used not so much for crushing stone as for supplying nominal work in the winter months for the employees of the Street Department.

Thus the Bleiler crusher, which is practically exhausted, and is only used to crush old curbing and paving blocks, was operated in January, February and March, 1906, with a total output of 1,713 tons, and a pay-roll of \$4,266.06, equivalent for that item alone to \$2.49 per ton, or \$1.89 more than the market price of the stone. It was not operated again until December, 1906, and January, 1907, when its output was 713 tons, and its pay-roll \$1,297.96, equivalent to \$1.82 per ton,

or 72 cents more than the market price of the stone. Since that period it has not been operated at all, but the pay-roll for the remaining eleven months of 1907 aggregated \$3,814.45 for engineers, weighers, watchmen and other employees, some of whom of course may have been necessary, but others not. For the entire year 1907 the cash cost of this "Crushing" plant to the city was \$4,272.68, with a total output of 104 tons, or \$41.20 per ton, an excess of \$40.10 over the market price of stone. If interest and depreciation were added the cost per ton would be \$87.74, or eighty times the market price of the stone.

This seems to be a flagrant case of "padded pay-rolls."

Taking the entire output of all the crushers for the year 1907 the total cost per ton, on pay-roll account alone, averaged \$1.13 per ton.

The records kept by the department are incomplete and unsatisfactory, the books being kept for the most part by men with little or no clerical experience. It is impossible to tell just what has become of the stone crushed. Records are kept of stone taken away, but where it is delivered and where used cannot be ascertained.

The Commission concurs in the following conclusions and recommendations contained in the report of Mr. Whinery:

1. While the Street Department has been engaged in the stone-crushing business for a long time, and upon a large scale, there is evidence that the business has been carelessly and even recklessly conducted, and that as a consequence a very large sum of the city's money has been wasted.

2. The plant and machinery employed has not been adapted for satisfactory and economical work. The crushers are too small, many of them are of old design and they are not fitted up to do the work in the most economical manner. A very few unit plants of large size with the latest improvements and devices for rapid and economical work, located at ledges with a sufficiently high face to permit of cheap quarrying, and where the ratio of stripping to rock would be small, would undoubtedly produce more economical results even if the

product had to be shipped or hauled longer distances to the points where it is to be used.

3. The purchase of the quarry property by the city would have avoided the payment of large royalties to owners, and would have given the city the benefit of the increase in value due to the grading down of the property. While the royalties paid have not as a rule been excessively high the aggregate sums paid out on that account have doubtless been much more than the interest charges would have been had the property been purchased outright.

4. While the rock has usually been quarried and delivered to the crushers by contract the contracts have been carelessly and inadequately prepared, the city's interests have not been properly guarded and the prices paid have been often, if not usually, exorbitant. Such contracts have generally been let for short periods, without public and apparently without private competition; they have been terminable at the will of the Street Department, and contractors could not, therefore, make proper arrangements for the permanent and economical handling of their business. In placing these contracts and fixing the price to be paid, this price has nearly always applied to both rock and stripping without any apparent regard to the ratio of stripping to rock, or to the actual cost of the work.

5. The crushers themselves have evidently been operated without the constant intelligent supervision necessary to secure economical results.

6. The staff employed to operate each crusher has been unnecessarily large, and this staff has been continued under pay for long periods when the crushers were idle.

7. The cost of producing crushed stone under this system has been exorbitant. Municipal commissions and private contractors have been able to purchase crushed stone, delivered upon the street where it was to be used, at prices very much lower than the cost of the city-crushed stone at the city crushers.

8. A part of this excessive cost has been due to the practice of carrying city employees on the crusher pay-rolls during the winter months, these employees, if not wholly idle, rendering no adequate return for their wages; and to carrying certain classes of employees on the crusher pay-rolls through long seasons when the crushers were not operated.

9. The city should at once abandon the stone crushing business and should contract for whatever supply it may need for its public work. Contracts should be made for a considerable number of years, preferably not less than five, and should be awarded to the lowest responsible bidder after public competitive bidding, the stone to be delivered at such railroad sidings or other points as the city may designate from time to time. A sufficient storage capacity should be provided by the city to tide over interruptions or emergencies.

The Commission understands that the Engineer of the Street Department also favors the discontinuance of the crushing plants, and recommended this course to the Mayor early in 1906.

The Commission also recommends the discontinuance of the practice of furnishing stone and other materials for use by the contractors on street work, and that the city buy only such stone as is needed in connection with work done directly by the Street Department.

If these suggestions are complied with, it is confidently believed that the saving to the city, as compared with the experience of the past twelve years, will be approximately \$100,000 per annum.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE SECRETARY OF THE
CIVIL SERVICE REFORM ASSOCIATION RE-
LATING TO EXTENDING THE PROVISIONS
OF THE CIVIL SERVICE RULES TO CERTAIN
HEADS OF DEPARTMENTS.

Boston, March 4, 1908.

ARTHUR H. BROOKS, Esq.,

Secretary Massachusetts Civil Service Reform Association :

DEAR SIR, — The Finance Commission desires me to say that it approves the general purpose of House Bill No. 739 introduced by your association for the purpose of extending the provisions of the Civil Service rules to certain heads of departments. The Commission, however, has not had sufficient time to consider the details of the bill, and desires to be understood as not expressing any opinion respecting the adequacy of the same. It believes in particular that the entire success of the proposed measure would depend upon the character of the men selected to conduct the examinations. The examinations for these positions should be entrusted to persons specially selected and qualified for the purpose, who should be experts in the broadest sense of that word in respect to the requirements and duties of each particular office.

With these qualifications the Finance Commission favors any well considered measure intended to remove from the heads of departments the political pressure to which they are now subject by entrusting their selection to experts nominated by the Civil Service Commission.

Very truly yours,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE METHODS
EMPLOYED IN THE PURCHASE OF CEMENT.

Boston, March 4, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — In the course of its general investigation of the purchase of supplies the Finance Commission has considered the methods employed in the purchase of cement. An effort has been made to ascertain the methods resorted to during a series of years ; but, owing to the difficulty in collecting data as to market prices and conditions of sale and delivery, it was found impossible to reach accurate conclusions, except in certain years. It would appear that at no time has the practice of securing bids for cement by public advertisement been generally resorted to. No attempt has been made, so far as the Commission could learn, to estimate and contract for a year's supply or for any considerable quantity ; and written contracts for any quantity, large or small, have not been made, the practice having generally been, except as to the cement bought for the improved sewerage works, to give orders to various dealers whenever the department head in charge of construction work had need of this article.

Between 1890 and 1897 it was the practice of the Sewer Department, without resorting to advertisement, to place its orders for cement with the regular dealers ; and the prices paid were substantially the same as those secured through advertisement by the City Engineer for the improved sewerage works. At some time after 1896, the exact date of which the Commission has not ascertained, the practice of buying of regular dealers in the open market was discontinued ; and although, owing to the increased use and supply of Portland cement, the opportunity for securing this article at reasonable prices has greatly increased, the City of Boston has adopted

the wasteful method of parceling out its purchases of cement in comparatively small orders among favored dealers, thus making retail prices inevitable. Beginning with 1906, a new and even more wasteful element has been introduced, that of purchasing from political middlemen who were not known in the trade.

In 1903 and 1904 about 40,000 barrels of Portland cement were used on the work at the Back Bay fens, not a barrel of which was bought after advertised competition. These purchases were made either from mill agents or established wholesale concerns, but, notwithstanding the large quantities bought, retail prices were paid. Much of this cement was bought in cotton bags at rates ranging from \$1.85 to \$2.20 a barrel. During this same period the Transit Commission and the Metropolitan Water and Sewerage Board bought an equally good quality of cement at much lower prices, though the quantities were much smaller. In November and December, 1903, the city paid \$2.20 for cement, while the Transit Commission paid \$1.55, and the Metropolitan Water and Sewerage Board, \$1.46½. In May, 1904, the city paid \$1.85, while the Metropolitan Water and Sewerage Board paid \$1.80. In July of the same year the city paid \$1.85, and the Transit Commission \$1.50. In August of that year the city paid \$1.85, while the Metropolitan Water and Sewerage Board paid \$1.18. The Commission has examined the conditions of purchase and delivery in each of these instances, and finds that they were such that the city was entitled to a lower rather than a higher price than was obtained by the Transit Commission and the Metropolitan Board. For these 40,000 barrels the city paid an excess price of 23 to 50 per cent., resulting in a loss of about \$20,000.

While the methods employed in these Fenway purchases were wasteful, the methods subsequently employed were even more so.

In 1906 and 1907 the city purchased through the Supply Department nearly 48,000 barrels, about 17,000 of which were used on the sewer work at Stony Brook, Jamaica Plain, and the rest on various small jobs throughout the city. Of these 17,000 barrels about 8,700 were bought from a politi-

cal middleman, who, while acting as agent for a builders' supplies company in other matters, conducted on his own account a cement business with the city. He transacted this business at the company's office, where he paid no rent or telephone charges and employed no help. The company, at its own expense, made out and mailed his bills to the city, and delivered the goods at the railroad station, from which he teamed them to a city storehouse less than a mile away. The cement was bought in carload lots, but retail prices were paid, with a net profit to the middleman of 35, 50 and 60 cents a barrel.

The prices paid for the remaining 8,330 barrels purchased for this work from two other dealers, who were well known and established in the trade, were equally in excess of the prices which the city might have obtained by the employment of careful business methods. The artificially high prices charged by these wholesale dealers made the middleman system possible. It is estimated that on these 17,000 barrels at least \$7,900 might have been saved, if bids for large quantities had been advertised for at auspicious periods.

To the charge of extravagance which may justly be made in the purchases for the Fenway and Stony Brook work, the time-honored defence that the teaming, storage and handling costs were necessarily high on account of the difficulties in making deliveries will not avail. In both cases the hauls were short and easy, and the quantities were large, in fact, an ideal opportunity to obtain the lowest prices was presented but not availed of.

There remain for consideration the 31,000 barrels used on various works scattered throughout the city. These were purchased from sixteen dealers at prices ranging from \$2.15 to \$2.25 per barrel. It is not necessary to consider these transactions in detail, as one case will suffice to illustrate the evils of the system. About 2,700 barrels of this quantity were bought from the middleman already referred to. The company from which he bought delivered at its expense the cement on his orders to the various city jobs, and billed the goods to him directly. The cement was then billed to the city, generally at an advance of 50 cents a barrel, and he

paid the company after the city paid him. He stated that he never inquired the mill prices for cement and did not know them, but simply took the price the company gave him and then fixed his price by inquiring of other favored dealers what they were charging the city. The company performed all the work in the execution of these orders, and he did absolutely nothing except to receive the orders and the city's checks, for which slight service the city paid him a profit usually of 50 and sometimes of 60 cents a barrel. This middleman was thrust into the situation apparently for the sole purpose of enabling him to make a profit out of transactions from which, according to ordinary business principles, he should have been excluded.

Other dealers, who had previously been unknown in the trade, were also able to sell the city at the same excessive prices, and it is estimated that the city's loss in the purchase of these 31,000 barrels was not less than \$9,000.

Under the system which has been adopted supplies used by the city in the several districts are bought wholly without competition, and in nearly every case from favored dealers in such localities. Various excuses have been urged in defence of this practice, but no reason was given which justified it. The motive is a political, not a business one. It is like the old trust method of parceling out amongst its members certain territory within which competition is excluded, and it is no less reprehensible because the trust is a political one and the city is the field to be exploited.

An examination of the whole course of dealing in the case of these 48,000 barrels of cement purchased in 1906 and 1907, shows that it was not purchased at the most favorable periods, nor in sufficient quantities, nor at proper prices; that there was no real competition; that prices were often fixed by the contractors themselves after the order had been received; that for political reasons middlemen were imported into the situation, to whom the extra profit was paid; and that city officials so far from securing the largest possible returns for the smallest possible expenditure, apparently sought only to divide the city's business among the largest number of political favorites.

All the large cement jobbers who appeared before the Commission stated that if the city had advertised for bids it would have saved money, as they were ready to lower their prices in order to sell large quantities to such a desirable customer.

The Metropolitan Water and Sewerage Board, the Transit Commission, the Cities of Worcester and Cambridge, and other large contractors, have bought cement at much lower prices, and the Commission believes that if the City of Boston had followed business methods in the purchase of cement during the past five years, nearly \$50,000 might have been saved on this item alone.

This sum has been practically given away by the city to favored dealers. It is perhaps worth while to consider just what such a gift means. The Fire Department, for instance, is in need of more men; a fireman's maximum pay is \$1,200 per year, and a saving of \$10,000 in a year would permit the city to increase the number of firemen by eight. The average cost to educate a child in the public schools is \$34, and \$10,000 saved in a year means a year's education for three hundred children. Similar illustrations abound of the wrong of making gifts of the city's money instead of using it for the city's legitimate needs.

The City Engineer, the Engineer for the Street Department and the Engineer for the Sewer Department are of the opinion that the city loses heavily by furnishing materials to contractors for city work, and they believe that the system should be changed. They state that it would be more economical to require the contractors to furnish supplies and that the city's inspection could be made a sufficient safeguard against the substitution of material of a grade inferior to that specified in the contract. If contracts for labor and materials are awarded after public competition the amount which the city would pay for materials would be regulated through such competition and would be less than it pays now. The proposed method would relieve the city of the necessity of maintaining a labor and a clerical force at storehouses which should be established if the city is to continue to supply contractors with materials. Rent and repair charges would also

be saved, and city officials would be relieved of political pressure and freed of all suspicion in connection with the purchase of these supplies.

The Commission believes this change should be made; but if it is decided to continue the practice of furnishing materials to contractors then proper business methods in purchasing such supplies should be employed. In the case of cement there is no practical difficulty in estimating the amount needed for a year, and the large dealers would be glad of the opportunity to compete for the city's business. Bids for the required amounts should be invited by advertisement at favorable periods, and the contracts should provide for deliveries when needed and should contain the maximum and minimum quantity clause.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO PURCHASES MADE
BY THE SUPPLY DEPARTMENT.

BOSTON, March 9, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — The Finance Commission has continued its study of purchases made by the Supply Department, and now begs leave to make a further report in part thereon, the special articles considered at this time being oil, drain pipe, and paving blocks. These will serve as further illustrations of the manner in which the city has permitted its business to be mismanaged.

It will be remembered that the hearings of this Commission at which certain fraudulent coal transactions were disclosed took place early in September, 1907, and resulted in the resignation of the then Superintendent of Supplies. Since these exposures the methods of purchasing supplies have been greatly improved in this and other departments.

It is to be noted that in the recent report on the subject of cement, and also in this report, except when the contrary appears, the period dealt with is that prior to September, 1907, when the Penal Institutions Commissioner took charge of the Supply Department.

OIL.

Between the date of its organization in March, 1906, and August 1, 1907, the Supply Department bought about \$9,400 worth of lubricants, the greater part of which were used at the pumping station of the Main Drainage Works and on the ferries.

About \$2,400 of this amount was paid for grease and certain kinds of oil which were bought in small quantities and at excessive prices ; but the loss has not been estimated, as the market price in these cases fluctuated so greatly that a

statement of the exact loss could not be prepared except at an expense disproportionate to its value.

The remaining \$7,000 was expended for large quantities of cylinder and engine oil of standard grades, which are easily susceptible of comparison as to quality and price with oils used by large manufacturing and commercial establishments and by the Metropolitan Water and Sewerage Board. The Commission has submitted samples of these oils to a chemist who has analyzed them and estimated their value. It has also ascertained the grades used and prices paid by private concerns and by the Metropolitan Water and Sewerage Board. The chemist's report indicates that the city used unnecessarily high grades of oil, and paid excessive prices, and that out of the \$7,000 paid there was a loss of about \$4,000 ; in other words, that the oil cost about two and one-thirds times as much as the city ought to have paid.

For about two-thirds of the cylinder oil used by the city 65 cents a gallon, and for the remainder 38 cents a gallon, was paid. The chemist employed by the Commission reports that cylinder oil fully equal in quality to that for which the city paid 65 cents could have been bought for 25 cents.

For engine oil the city paid 30 cents, 36 cents, 40 cents and 45 cents a gallon. The Commission's chemist reports that the oil for which the city paid 45 cents was worth not more than 15 cents. The Metropolitan Water and Sewerage Board paid during the same period $14\frac{7}{10}$ cents a gallon for its engine oil, or from one-third to one-half the prices paid by the city.

The Metropolitan Water and Sewerage Board paid during the period in question 23 cents and $14\frac{7}{10}$ cents a gallon for cylinder and engine oil respectively. These oils are used by the Board at all its pumping stations except one at which small rapid motion engines are used which require higher grades of oil. That low priced oils may be used with safety at ordinary pumping stations the experience of the Metropolitan Board and the later experience of the city seems to demonstrate. While the pumping engines at the Ward-street station were in charge of a contractor the Metropolitan Board

furnished him the kind of oil he asked for and paid for cylinder oil 58½ cents and for engine oil 31½ cents net. Since December 12, 1906, the date upon which the contractor turned these pumping engines over to the Board the cylinder oil used has cost 23 cents and the engine oil 14 $\frac{7}{10}$ cents, and both have given satisfactory results.

The city is now buying cylinder and engine oils for 35 cents and 18 cents respectively, with satisfactory results, the present furnishing a sharp contrast to the former system.

The monopoly of the city's business, which was enjoyed by a branch of the Standard Oil Company, was broken up after the change of management in the Supply Department. The acting superintendent discontinued purchases from this company and bought lower priced cylinder and engine oils from a local establishment. The favorite thus dislodged made two written protests against the change and asserted that the lower priced oils were of inferior quality, that more of such oils would have to be used, that the city would lose money by the substitution, and that the machinery would be damaged. None of these predictions has been verified; the machinery has not been damaged and even smaller quantities of the lower priced oil were used at the pumping station and ferries in the last four months of 1907 than in the corresponding four months in 1906, when the higher priced oils were used exclusively. Moreover the chemist employed by the Commission has tested samples of the oils now in use, and he reports that they are substantially as good for the purpose as the oils formerly used which cost about twice as much.

If it should be found that a difference of opinion exists respecting the use of low grade oils the Commission recommends that the subject be given the most careful consideration by the present Superintendent of Supplies.

Part of the losses in these transactions resulted from purchasing on orders without competition of any sort from a company which charged the city more than it charged the United States Government and private concerns for the same grades of oil. The city officials did not even request a discount, although the company's manager states that he would have made one if he had been asked to do so.

DRAIN PIPE.

From February 1, until about the middle of September, 1907, the Supply Department bought \$56,000 worth of ordinary and double strength drain pipe. This pipe is sold on a standard list price, from which discounts are made. The city's discounts and payments in the early part of the year, when it is said a combination existed among the manufacturers, were :

On ordinary pipe . . .	60 per cent., paying net \$21,500
On double strength . . .	43 per cent., paying net 3,000

In the latter part of the year

On ordinary pipe . . .	65 per cent., paying net 17,000
On double strength . . .	45 per cent., paying net 14,500

The Transit Commission was able to buy small quantities of ordinary pipe, under practically the same conditions, at a discount of 64 per cent. in the early part of this year, and 68 per cent. in the latter part, that is to say at discounts better than the city obtained by 4 per cent. and 3 per cent., respectively. The City of Cambridge purchased its pipe under the same conditions as to delivery and inspection at 64 per cent. off the list at the same time the City of Boston was receiving only 60 per cent. The City of Springfield purchased its ordinary pipe under the same conditions in the first of the year at 65 per cent.; and in the latter part of the year the Metropolitan Water and Sewerage Board made a contract at a discount of 70 per cent. with one of the concerns which was selling the City Supply Department at the same time at a discount of 65 per cent.

No double strength pipe was purchased during this period by the Transit Commission, the Metropolitan Water and Sewerage Board or the Cities of Cambridge and Springfield, but standards of comparisons are furnished by the quotations of large, responsible dealers and manufacturers, some of whom state that the discount should have been at least 45 per cent. and 50 per cent. and some even more, instead of 43 per cent. and 45 per cent., which the City of Boston received.

Taking as a basis the highest rates paid by other buyers, the city appears to have lost at least \$5,000 on the drain

pipe which the Supply Department bought in the seven and one-half months in question. The pipe was purchased absolutely without competition and largely from a concern previously referred to in the reports of this Commission, which, notwithstanding its higher prices, was preferred over other dealers apparently on account of its connection with an alderman of the city. After September, 1907, the acting Superintendent of Supplies procured greater discounts on ordinary pipe by 2, 3 and 7 per cent., and on double strength pipe by 10 per cent. than the highest discounts allowed to his predecessor. The company, which has just been referred to, gave the city under competitive conditions 72 per cent. and 55 per cent. on the two kinds of pipe, as against 65 per cent. and 45 per cent. under the conditions which had previously prevailed.

PAVING BLOCKS.

Two contracts for granite paving blocks were made by the Supply Department with the Bay State Granite Company, the first dated April 15, 1907, and the second dated May 27, 1907, each calling for not exceeding 500,000 blocks, to be delivered on the wharf, in Boston, in 1907, at \$70 a thousand. The Commission has been unable to find that there was any competition in either case. Under these contracts only 283,870 blocks have been delivered, and the remainder need not be taken as the contract term has expired.

The Bay State Granite Company did not quarry any of these blocks, but bought them for \$62 per thousand delivered on the wharf at Boston, and sold them for \$70 per thousand. It did nothing except to act in the capacity of middleman. It received the order and collected the money from the city, subsequently paying the company from which it bought, and for this slender service it received \$8 for each thousand blocks, or nearly \$2,300. Had the entire amount been delivered, this gift would have amounted to \$8,000.

The company has done no business except with the city since it was incorporated; it owns no quarries, and apparently has no property except, possibly, the furniture in its office. Its usual place of business is in the private office of

its president, but its name does not appear upon the door. Apparently he received substantially all the profits on these contracts, as the only one employed by him is a clerk in a law office, who, for a slight compensation, turned aside from his regular duties long enough to procure the city's order for paving blocks and receive the city's check in payment.

The corporation seems to have been created for the purpose of securing the city's business, on the theory that it is easier and safer to obtain contracts under the dignity of a corporate name than in the name of an individual. The agreement of association was made and the subsequent steps necessary for organization taken on April 15, 1907, the same day that the first contract was awarded. The certificate of incorporation did not issue until the next day, April 16, 1907. Although the contract was apparently not approved by the Mayor until May 7, 1907, the arrangements for awarding it were completed prior to the creation of the corporation. The Superintendent of Supplies asked the Mayor for authority to give the contract without advertising for bids to the Bay State Granite Company on April 12, three days before the first meeting of the corporation; the contract was given on the same day as the first meeting, and the day before the certificate of incorporation was issued. Even more significant is the fact that the Supply Department gave the company an order on April 2, 1907, upon which it made deliveries on April 15, 17, and 18; that is, orders were given to a corporation, and in part filled, before that corporation was in existence.

The Commission has learned through several large dealers that the city could have bought all the granite paving blocks it needed during the period in question for at least \$62 a thousand, and it believes the city has lost about \$2,200, or more than 12 per cent., on its contracts with the company. On September 14, 1907, the new management of the Supply Department procured from a responsible dealer an offer to sell at \$63 a thousand, although the dealer states that the market price was then advancing, and that it cost him more to make deliveries in the fall of the year than in the summer months.

The Commission renews the general recommendations made in previous reports as to the purchase of supplies. Besides such general precautions, special safeguards should be erected in particular cases. For example all bids for oil contracts should be accompanied by samples of the oils, which should be tested and held as standards, and after the contract is awarded samples of the oils delivered should be tested to ascertain if they conform to the specifications and standard samples.

The Commission suggests that the grades of oil similar to those used by the Metropolitan Water and Sewerage Board be given a trial, and if the experiment is successful the city will pay even less than it pays now.

In the case of paying blocks the advertisements should precede the time of actual need long enough to give the successful bidder an opportunity to cut the stone in what would otherwise be his dull season, thereby enabling him to keep his regular force constantly employed and to give the city a reduced price as its share of the benefit of such favorable circumstances.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE BOSTON TRANSIT
COMMISSION RELATING TO THE MARGINAL
CONDUITS IN THE CHARLES RIVER BASIN.

Boston, March 12, 1908.

BOSTON TRANSIT COMMISSION,
15 Beacon Street, Boston, Mass. :

GENTLEMEN, — At the recent conference between the Transit Commission and the Finance Commission it was stated that this Commission was looking into the utility of the marginal conduits now being constructed by the Charles River Basin, and into the advisability of discontinuing further work upon the same. The Commission finds that there is great diversity of opinion among the State and the City engineers consulted respecting the utility of the conduits as now designed. In view of this fact, and of the further fact that about half the work is done, and most of the remainder contracted for, the Finance Commission does not feel that it would be justified in advising a suspension of work on these conduits.

Very truly yours,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND THE
BOARD OF ALDERMEN RELATING TO THE
REQUEST OF THE BOARD OF ALDERMEN
THAT THE FINANCE COMMISSION HOLD A
PUBLIC HEARING ON THE EVIDENCE OB-
TAINED IN ITS INVESTIGATION OF THE
PAUPER INSTITUTIONS DEPARTMENT.

Boston, March 14, 1908.

To the Mayor and Board of Aldermen of the City of Boston :

GENTLEMEN, — The Finance Commission has received through the Mayor a request from the Board of Aldermen that it give a public hearing on the evidence obtained in its investigation of the Pauper Institutions Department.

This Commission was established for the purpose of inquiring into the financial condition of the city, and to that end it has acquired certain information in regard to the Pauper Institutions Department. The Commission has already expressed its opinion that the quality of service rendered by the Superintendent of Pauper Institutions has not been such as to merit the reward which the Trustees have seen fit to give him.

This opinion was based :

1. Upon the personal observation by members of the Commission, at the time of a visit to Long Island, of the slovenly and unsatisfactory manner in which the place was kept.
2. Upon the appearance and testimony of the Superintendent at the coal hearings conducted by the Commission, which showed ignorance and unfitness as a purchaser of supplies.
3. Upon the absence of proper records at Long Island. An expert accountant reported to the Commission as follows: "The stock book has not been written up for many months. This condition shows clearly the complete failure of the person in charge to

appreciate the importance of keeping an accurate record of his doings and renders valueless any figures based on such records as have been submitted."

4. Upon certain written opinions on file in the office of the Commission, of reputable physicians, familiar with the situation at Long Island.

Thus the President of the Visiting Medical Staff writes as to the Superintendent: "My belief has been always that he was not at all a proper person for the position, and that belief has steadily grown. He has no proper conception of the purpose and duty of a superintendent and does not seem to have acquired any, though he has held the position for some time. I do not believe that the institution can ever be brought to the position it should be for the proper care of its inmates or for the economy of the city while Mr. English is there. The institution has steadily gone down hill ever since he has been there."

A former resident physician at the island writes: "My fear is that I may be unable to express clearly how unfit in temperament, in training, in executive ability and morally is Mr. English to hold his present position."

Another former resident physician has written substantially to the same effect.

Each of these physicians in his letter gives in detail his reasons for his opinion, setting forth the facts upon which they are based.

The foregoing would seem to warrant the Commission in its opinion that the price paid by the Trustees of the Pauper Institutions for the Superintendent's resignation was a waste of the city's money. Inasmuch as the Superintendent has already left Long Island and is not to return, it does not seem to the Commission that a public hearing would serve any useful purpose.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING
TO THE REMOVAL OF THE AUXILIARY
FIRE ALARM FROM THE PUBLIC SCHOOLS.

BOSTON, March 16, 1908.

HONORABLE GEO. A. HIBBARD, *Mayor* :

SIR, — In response to Your Honor's request, the Finance Commission has inquired into the matter of the contract with the Auxiliary Fire Alarm Company, under which a system of auxiliary fire alarms has been maintained in certain of the public schools.

More than twenty years ago this system was introduced. It consists of an extension of the regular fire alarm system through the establishment of fire alarm boxes in certain school buildings with smaller auxiliary boxes on each floor, so that in case of fire an immediate signal can be given to the Fire Department from the floor on which the fire occurs.

There is a marked difference of opinion as to the practical value of the system. The Chief of the Fire Department thinks that its presence is more of a danger than a benefit, believing that it gives a false sense of security, because if it is out of order there is nothing to indicate that the signal does not reach the Fire Department; moreover, if an alarm is given, real or false, the system is exhausted and can not be again used until readjusted. Four years ago the Schoolhouse Commission took up the matter with Fire Commissioner Russell, believing that the system should be removed, but was not encouraged to do so. Early last summer the Commission finally ordered its removal. On the other hand the Superintendent of Fire Alarms and certain other fire officials still favor its retention. Various masters also feel that it is a safeguard, and desire its continuance.

The system is installed in only 106 of the 300 school buildings. The cost of installing it is about \$400 per build-

ing. If the system should be installed in all the school buildings the cost hereafter would be approximately \$75,000.

While the Schoolhouse Commission has given its attention to the advisability of removing the system, it has not applied itself to the problem of reducing the cost. As some 80 per cent. of the installations have been owned by the city, practically the only duty performed by the Auxiliary Fire Alarm Company is one of inspection and maintenance. Last year the charge for this service was \$4,680. The manager of the company admits that this charge was excessive, and states that his company is willing to provide the same service for the ensuing year for \$1,200, a reduction of \$3,480, making the new price about one-quarter of the former price. When asked why a reduction was not made in previous years, his reply was that nobody had asked for it. The neglect of municipal authorities in this, as in other instances observed by the Commission, to make even an effort for lower prices has been very costly to the city.

The Schoolhouse Commission is now planning to introduce a new system which it believes will afford much greater protection. While the present system signals the Fire Department, it gives no warning to the occupants of the building. This latter warning can now be given only from an independent source, generally the master's room. The new arrangement is intended to notify the pupils and teachers instead of the Fire Department. The cost of installing this new system in all the schools is estimated at about \$60,000. The Finance Commission is not satisfied that the practical success of the new system is so assured that it should be undertaken without further investigation. The electrician of the Schoolhouse Commission is accordingly preparing a modification of the system which he hopes will combine the two kinds of notification, *i.e.*, to both teachers and pupils and to the Fire Department. In a few days the first experiment with the system will be ready to be tested.

The Finance Commission believes that, whatever the defects of the present system, it should not be discontinued till a clearly better system has been perfected. Divided responsibility is seldom advisable, and this is particularly true of so

important a matter as fire protection. In the present instance, the conviction of the Schoolhouse Commission that the company has neglected its duties has been, in part, at least confirmed by the personal observation of the Finance Commission. For years, part of the mechanism has been missing in several of the school buildings — omissions which an adequate supervision could not have failed to discover. Even at the greatly reduced price now offered for the service, the expense ought to be less if the city itself undertakes the supervision.

No new contract should be made with the Auxiliary Fire Alarm Company. That company has agreed to make a reasonable arrangement for the surrender to the city of such interest as it still possesses in the apparatus now in the school buildings.

In view of all these considerations the Finance Commission recommends that, while the system should not be removed pending the substitution of a better system, it should be operated by the city itself and not by the Auxiliary Fire Alarm Company.

In the opinion of the Commission, a fire alarm box should be as near each school as possible, and, when a special box is assigned to a given school, it should be placed on the outside (and not, as at present, on the inside) of the building, so that an alarm may be given by those outside, as well as by those in, the building. In this, the fire authorities and the Schoolhouse Commissioners concur.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE LEGISLATIVE COM-
MITTEE ON METROPOLITAN AFFAIRS
RELATING TO LEGISLATION RECOM-
MENDED BY THE FINANCE COMMISSION.

BOSTON, March 16, 1908.

GRAFTON D. CUSHING, ESQ.,

*House Chairman, Committee on Metropolitan Affairs,
Boston, Mass.:*

DEAR SIR, — The Finance Commission has received your several communications of March 1, and begs to reply as follows:

1. The Commission will be glad to consider the various bills which it understands have been drawn by the Corporation Counsel, under the direction of the Mayor, to effectuate some or all of the recommendations contained in the communication from this Commission to your committee dated February 27, 1908.

2. In addition to these recommendations the Finance Commission has also suggested the passage of a law consolidating the Wire Department with the Building Department. It does not know whether any bill has been drafted for this purpose or not.

3. The Commission has also approved in principle the bill recommended by the Massachusetts Civil Service Reform Association for the selection of heads of departments under proper safeguards by the Civil Service Commission. The Commission understands that the Mayor also approves this bill in principle as applied to the City of Boston, and that as soon as the details can be agreed upon a bill will be submitted to your committee.

4. The measure submitted to the Commission by your committee, intending to create a Department of Finance, will receive the early attention of the Commission.

5. The Commission would like an opportunity to confer with your committee concerning the form of the various bills affecting the City of Boston which your committee intends to report.

Yours very truly,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO A FURTHER APPROPRIATION FOR THE FINANCE COMMISSION.

BOSTON, March 16, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — The Finance Commission asks for an early decision upon the question of whether a further appropriation for its work is to be made. The people of Boston either do or do not desire its continuance. If they do, it is for the interest of all concerned that the work be not interrupted, even temporarily. The Commission has laid out a comprehensive plan, involving a study of substantially all the departments through its own members and with the assistance of experts. Every moment of available time from now until the close of its term, December 31, 1908, will be needed for the thorough examination of the municipal problem. This work is only partially completed, and much of the value of the part already done is dependent upon its completion.

When the money now at its disposal is spent, the Commission will stop its work. This must happen early in April. If an appropriation is to be made, there should be no delay. If none is to be made that fact should be authoritatively announced so that work may be stopped at once.

As the Commission is not a department of the City Government, and therefore cannot incur any liability in anticipation of an appropriation, the Commission suggests that such appropriation, if any, as may be intended for its use be passed by special vote not later than March 31.

The Commission expresses no opinion as to the wisdom of a further appropriation for its work.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE LEGISLATIVE COMMITTEE ON METROPOLITAN AFFAIRS
RELATING TO THE POWERS OF THE
COMMISSION OVER WITNESSES.

BOSTON, March 17, 1908.

To the Joint Committee on Metropolitan Affairs:

GENTLEMEN,—The Finance Commission appointed by the Mayor of Boston under an order of the City Council approved March 7, 1907, a copy of which is hereto appended and marked "Appendix A," was granted certain powers by chapter 481 of the Acts of 1907. To fulfil the purposes of this Act the Commission has held thirty-three public hearings. Its experiences at some of these hearings have been such that it desires now to report them that the General Court may determine whether to make its powers more certain and effective.

The rules for public hearings established by the Commission under the authority of the above Act are set forth in "Appendix B" hereto annexed. At the hearings, as conducted, enough has been disclosed to justify the belief that there has been much negligence, waste, and fraud in the administration of the City Government. But the purposes of the Legislature have been in danger of being thwarted by interruptions, insults, and other disorderly conduct, and by an increasing number of witnesses who, doubting the powers of the Commission, have failed to appear, when duly summoned, or have declined to answer relevant questions, though directed to do so by the Commission.

No witness has based his refusal on the ground that his answers might tend to incriminate him. Some of the witnesses have declined to answer on the ground that the Commission has no jurisdiction in the premises; others on the

ground that only the Superior or Supreme Judicial Court could compel them to answer; others on the ground that they ought to be allowed counsel and the privilege of oral cross-examination; and others simply "by advice of counsel." Others, being attorneys-at-law, have refused to disclose facts or conversations because of having been attorney for some person connected with the affair, although such facts and conversations were not within the privileges extended by law to communications between attorney and client. Some witnesses have refused to answer questions and to produce their books on the ground that the questions related to, or the books contained, merely the "private business" of the witness. Still other witnesses have insultingly defied the Commission when they were asked proper and pertinent questions.

Such refusals are liable to be more numerous and impeding in the future than they have proved to be in the past.

To the extent to which disturbances have been created by persons who had given their evidence, the Commission has been able to preserve order by causing their removal from the room. But persons whose testimony had not been given could not be so treated without depriving the Commission of the benefit of their testimony. For this reason it was impossible to preserve order at several of the hearings.

If the Legislature desires to remedy these conditions it might be made a misdemeanor punishable on complaint of the Commission, by fine or imprisonment or both, for any person duly summoned to fail to appear or to refuse to answer pertinent questions, or to produce his books, or to interrupt the proceedings of the Commission by unseemly or offensive conduct. False testimony might be specifically declared to be perjury.

Any amendments to the law of 1907 should identify the Commission and its members more accurately and exactly; should recite more fully the purposes of the inquiry; should indicate that the inquiry is to serve as the basis for legislative action relating to the City of Boston; should direct the Commission to report either finally or from time to time to the General Court; and should change the language so as

to make it certain that the provisions of Revised Laws, chapter 175, may be invoked by the Commission.

The Commission submits this report for such action as the General Court may see fit to take.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

[For Appendix "A," see supra, page 9.]

[For Appendix "B," see Appendices.]

COMMUNICATION TO THE MAYOR RELATING TO THE DISPOSITION OF UNLICENSED DOGS.

Boston, March 17, 1908.

HONORABLE GEORGE A. HIBBARD, *Mayor* :

SIR, — In response to Your Honor's request of March 5, 1908, the Finance Commission submits the following report upon the matter of the disposition of unlicensed dogs and the recent cost thereof.

The constable charged with the duty of killing unlicensed dogs was appointed by the Mayor on March 5, 1906, his bond was filed and approved in June, 1906, and he began to discharge his duties early in the following month. He has received from the city for the period between July 1, 1906, and March 1, 1908, \$6,532 for killing 6,532 dogs at \$1 each, as shown in the following table :

1,484	.	.	.	.	.	July 1 to August 31, 1906.
353	.	.	.	.	.	September, 1906.
224	.	.	.	.	.	October, 1906.
316	.	.	.	.	.	November, 1906.
271	.	.	.	.	.	December, 1906.
343	.	.	.	.	.	January, 1907.
297	.	.	.	.	.	February, 1907.
287	.	.	.	.	.	March, 1907.
206	.	.	.	.	.	April, 1907.
196	.	.	.	.	.	May, 1907.
197	.	.	.	.	.	June, 1907.
510	.	.	.	.	.	July, 1907.
662	.	.	.	.	.	August, 1907.
516	.	.	.	.	.	September, 1907.
179	.	.	.	.	.	October, 1907.
163	.	.	.	.	.	November, 1907.
139	.	.	.	.	.	December, 1907.
189	.	.	.	.	.	January and February, 1908.
<u>6,532</u>	.	.	.	.	.	Total.

This is the largest amount ever paid by the city for this purpose for the same length of time.

The amounts paid in the last ten years are as follows:

1898-09	.	.	.	.	.	\$1,927
1899-1900	.	.	.	.	.	2,183
1900-01	.	.	.	.	.	2,789
1901-02	.	.	.	.	.	2,734
1902-03	.	.	.	.	.	2,597
1903-04	.	.	.	.	.	2,692
1904-05	.	.	.	.	.	2,624
1905-06	.	.	.	.	.	2,698
1906-07	.	.	.	.	.	3,425
1907-08	.	.	.	.	.	3,695

\$27,364

The average amount paid in the last two years is \$3,560, as against an average of \$2,689 in the six years preceding, an increase of \$871 or over 32 per cent. This extraordinary increase excited suspicion and required explanation. The Commission caused an inquiry to be made, and the constable, with other witnesses, was examined.

It appeared that the constable for about two and one-half years prior to his appointment had been employed as a timekeeper in the Water Department, and as a gardener in the Public Grounds Department.

Upon his appointment he hired a store, in which he temporarily detained the unlicensed dogs collected by his employees, and also transacted the business of buying and selling dogs generally. It is his practice to poison the unlicensed dogs and deliver the carcasses to the N. Ward Company, which is under contract with the city to remove the same, and whose drivers called regularly for this purpose. No books are in existence which show the dates upon which dogs were received or the number destroyed in the period between his appointment and January 1, 1907. He stated that he kept a small account book up to October or November, 1906, when his store was broken into, but that the book with other articles was then stolen. He did not satisfactorily account for his failure to keep a book between the date of

the robbery and January 1, 1907. Since the latter date he has kept a small memorandum book. In this, and in the book which he said he lost, no original entries were made, but only copies of entries made on slips or envelopes or such pieces of paper as he chanced to have in his pocket at the time. The book exhibited by him records the transactions between January 1, 1907, and October 1, 1907. The number of dogs taken are not entered on the day of their capture by the constable or delivery to the N. Ward Company. But two dates are set down, and the number taken in the interval is entered. A typical entry is:

January 1, 1907,
1st

94

5th

The constable says this entry means that between these dates 94 dogs were taken by him and charged to the city.

Not only were these accounts meager and unsatisfactory, but even as far as they went they could not be verified. The constable made the entries himself from slips of paper which he subsequently destroyed. The original entries were based on a count of the dogs made by him without verification by any other person. The employees never counted the dogs collected and destroyed, and none of them could do more than guess the number.

The only evidence given that seems to be of value is that of two drivers of the N. Ward Company who called at the constable's store and took the dead animals in baskets and put them in the wagon. They kept no account, but the method of delivery gave them an opportunity to make estimates of the number received by them. During July, August, September and October of 1907, one of these drivers made collections seven or eight times, receiving from 15 to 30 dogs each time. The other made collections for three weeks in July and received from 50 to 60 each week. In three weeks in August he made nine visits, receiving 12 to 20 each time, and in the fourth week he made only one visit, receiving that week's entire accumulation, which he states positively did not exceed 75. In September he called not more than

ten times, receiving from 12 to 30 each time. In October, up to the 28th he called probably nine times, and is certain he received not more than 60 to 70 altogether. Taking from their statements the maximum number both of visits made and dogs received, the total for these four months would be 1,085. For these four months the constable charged and collected for 1,688, or 603 more than the drivers' highest estimates. They also estimate the number taken from November 1, 1906, to July 1, 1907, as between 20 and 30 a week, or approximately 95 to 135 a month. At the maximum this would be 1,080 for the eight months, but the constable was paid by the city for 2,113. The driver who collected from the constable who preceded the present one states that the collections from the former were about the same as from the latter, but the average amount paid by the city to the latter is 32 per cent. greater than that paid to the former.

Besides these apparent discrepancies in the accounts the Commission asks Your Honor to note that the provisions of the Revised Laws, Chapter 102, under which the constable was appointed, have not been complied with. No return has been made by the constable as provided in Section 144, and no certificate has been transmitted to the District Attorney by the Mayor, as provided in Section 145.

The Commission finds that the accounts of the constable were insufficient and that his duties have not been performed as required by law. It recommends that other safeguards be provided in addition to the constable's certificate under oath as to the number of dogs killed. No means have been established to verify his accounts or to require the N. Ward Company to keep an account which would serve as a check upon the constable. The Commission recommends that the appointment of the constable be revoked and that the new appointee be required to keep regular books of accounts, giving the dates upon which dogs are received, the dates upon which they are killed and the dates upon which they are delivered to the N. Ward Company, and also that the company keep an account of the number and the date of delivery of dogs to it. It would also seem proper to require some official designated by the Mayor to call at the

place of business of the constable at the time of each delivery to the company for the purpose of verifying the count.

It is further to be considered whether the statutes relating to this subject do not afford too great a temptation to the unnecessary killing of dogs, as well as to false returns of the actual number killed. It would probably be better if authority should be given to pay for the service by way of fixed salary instead of by a system of fees, at least in a large city like Boston.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING
TO CERTAIN SEWERAGE WORKS AND THE
APPROPRIATION THEREFOR.

BOSTON, March 19, 1908.

HONORABLE GEORGE A. HIBBARD, *Mayor* :

SIR, — The Commission begs to reply to your communication of March 16 as follows :

1. The sewer work specifically mentioned in your letter, namely, the Old Stony brook channel between Vernon street and Elmwood street, the Talbot-avenue high level sewer, and the work on the Shepard brook in Brighton, should, in the opinion of the Commission, be prosecuted to completion as rapidly as possible. As to whether the work should be done by day labor or by contract, the Commission expresses no opinion at this time.

2. The other question submitted by your letter, namely, whether a loan of approximately \$650,000 should now be issued under chapter 485 of the Acts of 1907, is more difficult to answer.

In a communication to the Mayor and City Council dated January 23, 1908, the Commission recommended that the laws then in force which compelled the city to procure all the moneys devoted to sewer construction by loans outside the debt limit should be amended so as to permit the spending for this purpose of money raised either by taxes or by loans inside the debt-limit. Under date of February 27, 1908, the Commission transmitted to the Legislative Committee on Metropolitan Affairs a list of its recommendations for new legislation, including a suggestion that "the provisions of Statute 1903, chapter 268, and Statute 1907, chapter 485, which prohibit the city from raising money for sewer construction by taxes or loans inside the debt limit, be repealed."

There already had been introduced in the Legislature a bill intended, in part at least, to meet this question, and Statute

1908, chapter 204, approved March 14, 1908, has since been enacted, providing that any indebtedness incurred after the passage of the act or during the current year "for sewer and drainage purposes * * * * * under the provisions of Statute 1897, chapter 426, and acts in amendment thereof shall be included within the debt limit."

This act is mandatory, requiring that all loans within its terms shall be within the debt limit, whereas this Commission suggested that it should be permissive only. The draft of the act was not submitted to the Commission, but the change in this respect met its approval.

The act makes no specific mention of Statute 1907, chapter 485, relating to the "separate system" so-called, and it is not clear whether loans under this statute are covered by the new legislation. The Commission is of the opinion that it does cover such loans, but if the Law Department should entertain any doubt upon the subject the Commission believes that the Legislature should be asked to remove the doubt, and make it certain that all loans, however designated, for sewer or drain construction, be issued within the debt limit.

Whether this is done or not, the Commission trusts that during the current fiscal year no money will be borrowed for any purpose outside the debt limit except for completing the various subways and tunnels now authorized by the different rapid transit acts.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

[The above letter was in response to the following letter.]

OFFICE OF THE MAYOR,
BOSTON, March 16, 1908.

To the Boston Finance Commission :

GENTLEMEN.— It has been represented to this office that in order to meet the necessary demands we should avail our-

selves of our rights under chapter 485 of the Acts of 1907, same being an act relative to the construction of sewerage works in the Charles River Basin by the City of Boston, and provides for the borrowing of one-twentieth of one per cent. of the taxable valuation of the city, which would amount to approximately \$650,000.

Appreciating the position which the Commission has taken, that what is needed first of all is a competent survey of the sewerage situation before further large expenditures are made, I still feel that there is certain work which must be done, and which cannot be effected by any future survey, and the completion of which will be almost absolutely impossible unless the city takes advantage of its rights under the act mentioned.

I am transmitting to you herewith a communication on this subject from Charles R. Cutter, Acting Superintendent of Sewers. It is my belief that there is a certain amount of work which must be taken care of at the earliest possible moment, namely: The old Stony-brook channel, from Vernon street to Elmwood street, Talbot avenue high level, and Shepard brook, Brighton, all of which work is at this time, fortunately or unfortunately, in the process of construction and must be carried to completion.

An early report is desired on this matter, as, if agreeable to the Commission, the order will be forwarded to the Council on Thursday next.

Very truly,

(Signed) G. A. HIBBARD,
Mayor.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE COST OF
CLEANING CATCH-BASINS.

BOSTON, March 28, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — The Finance Commission has been engaged for several months in making an investigation of the Sewer Department, and has already submitted partial reports on certain phases of sewer construction and maintenance. The engineers employed by the Commission have recently completed an elaborate report on the subject of the inspection and cleaning of catch-basins, and the information therein contained, coupled with that elicited by the Commission from officials and employees of the Sewer Department, enables it to submit the following report:

Water from the streets, as it flows into the drains, carries with it solid matter, which, unless arrested, clogs the drains, and causes damage to the pumps. To prevent this, catch-basins are constructed to retain these solids, while permitting the water thus relieved to pass through outlet pipes into the sewers and drains. These outlet pipes are about four feet above the bottom of the basin, and it is necessary to prevent the solid matter from accumulating above this outlet. Upon this the preservation of the public health in no small measure depends.

There are about 20,000 catch-basins in the city, the responsibility for the maintenance of which rests primarily upon the Superintendent of Sewers, who assigns the work of cleaning them to eight district foremen, who, in turn, delegate the duty to sub-foremen, each of whom has charge of one or more crews. There are eighteen or nineteen crews, in the eight districts, each consisting of three men, one of whom is the driver. The crew removes the deposit from the catch-basin to the cart and carries it to the dump. In the city

proper the delivery is made to the scow of the Sanitary Department.

As the city forces are unable to clean all the basins, it is necessary once or twice each year to contract for the cleaning of a number of basins in each district. These contracts are usually awarded without competition at rates varying from \$3.50 to \$5 per basin for a single cleaning, and each contract includes from 60 to 200 catch-basins.

The work cost in 1906-07, \$62,505, and in 1907-08, \$54,903.

The cost for the period prior to 1906 has not been computed by the Finance Commission's engineer, as the records are deficient and misleading and consequently no accurate estimate could be prepared.

The Commission believes that the entire system is faulty in the extreme, and that a large part of the money spent has been unproductive of good results.

The principal defects are insufficient and inaccurate records, inadequate inspection, lack of proper discipline and supervision over the day labor force, and negligence in the selection of work to be done by contract.

The card index or catalogue, which serves as a record, was started in the spring of 1906. It was not compiled from a construction record of catch-basins previously built, for there were no complete records available, but was based upon reports of basin-cleaning made by inspectors and foremen, supplemented by lists of basins constructed during the past two years. It is estimated that this catalogue contains the record of about 10,000 basins, many of which are erroneously recorded twice. As it is estimated that there are 20,000 basins in the city, the remaining 10,000 basins have neither been inspected nor cleaned in the last two years.

The records are inaccurate and misleading. In one district the data were found to be so unreliable that the actual quantity of work performed could not even be estimated. The annual report credits this district with the cleaning of 1,200 basins, while the foreman's weekly returns give 550 as the number, and inquiry developed the fact that the figures in the annual report were, in reality, only an estimate, which

was based upon the number of days devoted to cleaning basins, it being assumed that in each of these days a certain number were cleaned.

The number of cubic yards of material removed from basins is similarly swollen by fanciful estimates, based upon the number of trips made each day by the teams, each wagon load being assumed to contain $1\frac{1}{2}$ to 2 cubic yards, while, as a matter of fact, a fair estimate for the average load is $1\frac{1}{2}$ yards. The impossibility of ascertaining unit costs from the records of the department is shown in a comparison of certain data therein with those obtained by the engineers employed by the Commission. For the year 1906-07, the department records show 25,187 cubic yards of material removed, while the Commission's engineer estimates the quantity at 20,091. The former show an average removal of 1,370 cubic yards per crew, the latter 1,090 yards; the former an average of 5 cubic yards per crew per day, the latter, 4; the former a removal of an average of 3.24 yards per basin, the latter 2.59 yards; the former a cost per yard of \$1.71, the latter \$2.14, both exclusive of cost of inspection, but both including a nominal charge of \$3 and \$5 for single and double teams, respectively.

The inspection has been costly, but practically worthless. The cost of inspection for 1906-07 was \$8,529, and for 1907-08 \$9,465. Ten inspectors are assigned to four out of the eight districts, the other four having no inspectors. The work of the cleaning crews is not laid out on the basis of the inspectors' reports, but by the sub-foreman in charge. The number of inspections vary from three to six basins per man, per day, taking, in some cases, over an hour, and in others more than two hours for the inspection of a single basin, whereas employees of the Finance Commission's engineer recently examined in South Boston 160 basins per man per day, and in about one-tenth of these cases the covers were removed and the traps examined. A fair day's work would permit of the inspection of at least fifty basins, including the removal of covers and the examination of traps.

The officials of the department pay little or no attention to the inspectors' reports, for contracts for cleaning basins have

been made which would not have been given out if the inspectors' reports on such basins had been relied on. It is apparent that many contracts have been based on statements prepared by incompetent inspectors or foremen, without any definite knowledge of the condition of the basins.

Frequently no reports whatever were made, and in some cases the reports were delayed for months at a time. In the South Boston District four inspectors are employed who, according to the district foreman, made no reports between April and November, 1907. Early in November, reports were sent in for the period between April 15 and May 20 and September 26 to October 16 and October 24 to November 2, but not for the intervening periods. As the time of the four inspectors was charged up to catch-basin cleaning for the entire period between April 10 and November 2, and as no reports whatsoever were received for part of this time, it is impossible not to conclude that these men were idle and indifferent and that there was a lack of supervision from headquarters.

The work of the day labor force is not regulated so as to yield a fair quantity of work in the eight-hour day. The teamsters return to the stable in the morning not later than 11.40, and in the afternoon not later than 4.40, so that the horses may be stabled at 12 and 5 o'clock respectively, and that the eight-hour law may not be violated. The result is that no crew makes more than two trips to the dump per half day, though the engineers state that more might easily be made under a different arrangement without violating the eight-hour law. Much time is wasted, because when the team has been loaded and started for the dump two men remain idle until the drivers return, one being seated by the driver and one remaining at the basin guarding the tools. A comparison of the results accomplished by the force in Boston with those of the force in Worcester shows an average per team per day of 4 cubic yards for the former as against 16.9 for the latter, and a maximum of four trips per day to the dump in Boston as against an average of fourteen in Worcester. The conditions favor Worcester, but making liberal allowance for all differences in conditions, the results secured in Boston are only about one half as good as in Worcester.

That part of the cleaning which is done by contract is excessively costly, largely because of the failure to adopt an intelligent method of procedure. The contracts are usually awarded without competition, at rates varying from \$3.50 to \$5 per basin for a single cleaning. Each contract includes from 60 to 200 basins. One thousand sixty-eight basins were cleaned in 1906 by six contractors at a cost of \$4,429, or an average of \$4.15 each. The compilation for 1907-08 covers only the period between February 1, 1907, and January 1, 1908. In this period contracts for cleaning 1,558 basins were given out at a cost of \$7,406.25, the average rate per basin being \$4.75, or 60 cents greater than the rate in the previous year. In 1907-08, the number of contractors was increased from six to eighteen, and the work was split up accordingly, the average amount paid to each contractor being \$411, as against \$738 in the previous year.

The average cost per cubic yard, estimated from the reports of 1906-07, is \$1.46; but this is too low; as undoubtedly the amount reported to have been removed is greater than the amount actually removed. It has been the practice to award contracts for basins containing small quantities rather than for those which contained large quantities, and therefore required cleaning. Examination showed that basins cleaned by contract averaged 1.76 cubic yards each; and on this basis the average cost per yard would be \$2.36 instead of \$1.46. It thus appears that the probable cost per yard for cleaning by contract is only 4½ per cent. less than \$2.47 per basin, which was the extravagant price the city paid for cleaning by day labor.

The reason for the extraordinary cost of contract work was disclosed in an examination of the catch-basins in South Boston and of recent contracts for cleaning them. These contracts were dated December 16, 26 and 30, 1907, and were awarded without competition to two contractors for 300 enumerated basins in this district at a uniform price of \$5 each for a single cleaning. Of the 300 basins named only 280 exist, 10 having no existence whatever and 10 others being duplicated in one or other of the three contracts. A list of these 20 non-existent and duplicated basins

is appended hereto and marked "A." (But for this discovery the city might have paid for work never performed as it did in August, 1907, when a contractor was paid \$152 for cleaning catch-basins for which he had previously been paid.) Many of these 280 basins did not need cleaning, and many others needed it less than adjacent basins, which were not included in the contracts. The department either planned to give these favored contractors the least work at the highest prices, or its selection of basins was devoid of intelligence. In a table hereto attached, marked Appendix "B," the depth of mud in these basins is shown in detail. It is estimated that the cost to the city for cleaning a depth of one foot by day labor is \$1.24. On this basis the extravagance of these contracts will be seen at a glance. In 22 of these basins the depth was less than $\frac{1}{2}$ a foot; in 22 others between 6 inches and 1 foot; in 29 between 1 and $1\frac{1}{2}$ feet; in 43 between $1\frac{1}{2}$ and 2 feet; in 31 between 2 and $2\frac{1}{2}$ feet; in 38 between $2\frac{1}{2}$ and 3 feet. Taking the maximum estimate of depth as a basis, the city paid these contractors for the first 22 basins \$110, as against \$13.64 for which it could have done the work with its own day labor force; for the second group of 22 basins, \$110, as against \$27.28; for the third group of 29, \$145, as against \$53.94; for the fourth group of 43, \$215, as against \$106.64; for the fifth group of 31, \$155, as against \$96.10; and for the sixth group of 38, \$190, as against \$141.36. In these 185 cases, which are 62 per cent. of the whole number in the three contracts, the city paid \$925 for work which it could have performed for \$439 with its own day labor force; and the city's day labor cost under the conditions then existing was high enough to enable a contractor to take work at that figure and make a handsome profit. The only contracts through which the city could save anything over the cost by its own day labor are those for catch-basins known to contain 4 feet or more of mud; yet in only 22 basins, or 7.8 per cent. of the whole, did the depth exceed 4 feet; in the other 92 per cent. the contracts were awarded at a price exceeding the day labor cost. In a table which is annexed hereto and marked Appendix "C," it is shown that on these contracts the city could have done the

work with its own day labor force for less than \$1,000 and saved at least \$500, or 50 per cent. By awarding contracts at proper figures it could have saved even more.

A fact equally striking is that in the South Boston district there are 186 basins not included in these three contracts in which there is more than 3 feet of mud. It is difficult to explain why these were excluded rather than the 185 above mentioned, none of which contained 3 feet, 116 of which contained 2 feet or less, and 44 of which contained 1 foot or less. It is still more difficult to explain on any theory, except that of gross favoritism or crass ignorance, why 34 catch-basins, on 27 street intersections, were included in the contract, while 40 adjacent basins were excluded, in view of the fact that the former contained an average depth of 2.4 feet of mud, while the latter averaged 4 feet.

The cost of maintenance of horses and carts for doing this work is inordinately high. The cost per horse of maintaining city teams in the Sewer Department was \$2.73 per day in 1906 and \$2.94 in 1907. It is evident that the city is paying more than double the cost than if it boarded out its horses, and much more than it ought to cost at its own stables.

The teaming accounts of the department are misleading. The work of the Sewer Department was charged in 1906, and up to July, 1907, for each team and driver at the rate of only \$3 per day, and since July, 1907, at \$3.50 per day; whereas the actual cost to the department has been approximately \$4.75 per day in 1906, \$5 in 1907 up to July (when the drivers' wages were increased 25 cents per day), and \$5.25 since then. Moreover a large sum is spent annually for teams which is not charged to any specific work. Thus, in 1906, \$66,407.27 was spent on teaming account, only \$31,016.30 of which was charged to particular items of work. The balance of \$35,390.37 remained on the books as a general charge against the department as a whole, and was not included in the cost of any specified work. In 1906, 47 per cent., and in 1907 only 46 per cent., of the cost of teams was charged to the particular jobs upon which they were employed.

The same criticism may be made of the failure to charge to specific work proportionate costs of clerical service, engineering and administration. Until these and all other expenses are apportioned and charged to particular undertakings unit costs will not be available and annual reports will not be intelligible.

RECOMMENDATIONS.

The engineers employed by the Commission make the following recommendations, in which the Commission concurs :

1. That this branch of the service be reorganized, and that the work be so arranged that a reasonable day's work may be secured.

2. That the present system of inspection be abolished, and that in its place a system be established by means of which the records will be kept by the subforemen in charge of cleaning, with the possible aid of a few inspectors ; and that the records of inspection and of cleaning be so prepared and filed as to be reliable, readily available, and to furnish the data from which unit costs can be easily and accurately calculated.

3. That the following data should be reported daily by the sub-forman, and provision made that it should be reliable: Date, location of basin cleaned, number of loads, number of cubic yards hauled to dump, location of dump and time of men and teams. From these returns, the number of basins cleaned per day, the number of yards of refuse disposed of, and the cost of the same per cubic yard, with the corresponding length of haul, should be compiled and filed.

4. That all existing catch-basins be located and a new card catalogue be prepared containing an accurate description of each basin.

5. That bids be received for cleaning catch-basins containing a known amount of refuse, and that the custom of awarding contracts for cleaning of basins containing small amounts of refuse, and leaving uncleared those containing large amounts, be abolished. If the

bids for this class of work are lower than are the prices for which the city can do it, the work should be let by contract; otherwise it should all be done by day labor, except at times when it is impracticable to secure a sufficient day-labor force.

6. That for contract cleaning bills should be paid only after endorsement by an inspector, who shall examine the basin before and after cleaning, and who shall certify as to the amount removed therefrom.

If these recommendations are honestly carried out, there should be a reduction of at least 50 per cent. in the cost of removing refuse from catch-basins. On the other hand, all the basins of the city should be thoroughly cared for, and if this is done, although the unit cost may be greatly reduced, there will be so much more work performed that the total amount of money expended upon this branch may not be reduced. It will, however, be expended for work actually done, and will not be given away, as has been the case in the past.

APPENDIX A.

·LIST OF BASINS WHICH, ACCORDING TO THE DESCRIPTIONS GIVEN IN THE CON- TRACTS, DO NOT EXIST.

MENTIONED IN CONTRACT WITH THOS. FARRELL OF DECEMBER 16,
1907.

East Seventh street, southwest corner O street.
East Eighth street, southwest corner I street.
G street, southwest corner East Eighth street.
H street, northeast corner East Third street.
Columbia road, corner Durham street.
H street, southwest corner Eighth street.
M street, northeast corner Broadway.

MENTIONED IN CONTRACT WITH JERE J. SULLIVAN OF DECEM-
BER 30, 1907.

B street, southwest corner Broadway.
Dorchester street, northeast corner E street.
West Fourth street, F and Dorchester streets, northeast.

LIST OF BASINS DUPLICATED IN ONE OR MORE OF THESE THREE CONTRACTS.

INCLUDED IN CONTRACT OF DECEMBER 30 AND PREVIOUSLY
AWARDED IN CONTRACT OF DECEMBER 26.

B street, northeast corner Athens street.
B street, northwest corner Broadway.
C street, southeast corner Broadway.
B street, southwest corner Second street.

INCLUDED IN CONTRACT OF DECEMBER 26, AND PREVIOUSLY
AWARDED IN CONTRACT OF DECEMBER 16.

Newman street, near Columbia road, northwest.

Newman street, near Columbia road, northeast.

Vinton street, near Columbia road, north.

BASINS LISTED TWICE IN CONTRACT OF DECEMBER 26.

Howell street, at 28, north, same as Howell, at 30, north.

Howell street, at 28, south, same as Howell, at 30, south.

BASINS LISTED TWICE IN CONTRACT OF DECEMBER 16.

M street, northeast corner Eighth street.

APPENDIX B.

**CLASSIFICATION OF CATCH-BASINS AWARDED BY
CONTRACT DURING DECEMBER, 1907.**

DEPTHS OF MUD. November 18, 1907.	CONTRACTS.			Totals.
	THOMAS FARRELL. December 16, 1907.	JERE. J. SULLIVAN.		
		December 26.	December 30.	
Less than 0.5.....	3	7	12	22
0.6 to 1.0.....	3	6	13	22
1.1 to 1.5.....	6	12	11	29
1.6 to 2.0.....	11	18	14	43
2.1 to 2.5.....	14	9	8	31
2.6 to 3.0.....	13	14	11	38
3.1 to 3.5.....	9	8	7	24
3.6 to 4.0.....	12	5	5	22
4.1 to 4.5.....	4	4	1	9
4.6 to 5.0.....	6	3	2	11
5.1 to 5.5.....	1	1	.....	2
Unknown depths.....	9	8	10	27
Let in previous contract.....	.....	3	4	7
Duplicate in this contract.....	1	2	.....	3
No such basin.....	7	.....	3	10
Totals....	99	100	101	300

APPENDIX C.

DATE OF CONTRACT.	CONTRACTOR.	Number of Basins.	Average Depth.	COMPUTED COST BY CITY FORCES.		Cost by Contract, including Duplicates, etc.	Saving by City Labor.
				Per Basin.	Total.		
December 16, 1907.....	Thomas Farrell.....	91	3.3	\$4 09	\$373 19	\$495 00	\$123 81
December 26, 1907.....	Jere. J. Sullivan.....	95	2.8	3 47	329 65	500 00	170 35
December 30, 1907.....	Jere. J. Sullivan.....	94	2.5	3 10	291 40	505 00	213 60
Totals and averages.....	.....	280	.....	\$3 55	\$993 24	\$1,500 00	\$506 76

COMMUNICATION TO THE MAYOR AND CITY COUNCIL RELATING TO THE EFFICIENCY OF DAY LABOR IN THE EMPLOY OF THE CITY.

BOSTON, April 2, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — The Finance Commission begs to submit the following report upon some of the causes which have operated to reduce the efficiency of day labor below a fair and reasonable standard.

A large part of the expense of carrying on city affairs is due to the cost of day labor. The Finance Commission believes that the city should pay an honest day's wage to all who do an honest day's work, and that the city should act with liberality towards those who have grown old in its employment. No more men, however, should be employed than are needed; idleness and incompetence should not be tolerated, and no one should be paid for work which he does not perform. Every dollar paid to an idler is a dollar taken from the man who is willing to work.

Employment or promotion in the municipal service through political influence, and retention in the service for the same reason in spite of idleness, insubordination or intemperance, not only is costly to the city, but results in grave injustice to the honest hard-working laborer.

Not only is there injustice to the faithful laborer, but his ambition is lessened, and by a few such cases the whole labor force of the city is lowered in its standard and comes into general disrepute. Little blame can be placed on the laborer for not putting his best efforts into his work if on pay day he sees the political loafer draw the same or greater pay for less or no service rendered.

1. — THE PROBLEM OF SUPERANNUATED LABOR.

The old age problem is very serious and difficult to deal with. There are many men who have worked faithfully for the city who can no longer do their work and yet are allowed

to continue in the service at full pay. Legally the city is not permitted to grant pensions. Under no system is the pensioner ever paid more than a part of his former pay, but the superannuated city employees are practically permanent pensioners at full wages. Men who are wholly incompetent should not be continued on the pay-roll. Those who can still render some service should be placed in the less responsible positions. The city is under no obligation to support those who render no service. If old age pensions are to be given, they should be granted under a carefully considered pension system, established by law, and not by subterfuge and favoritism.

In the Sewer Department, at the time of the Commission's investigation, there were two men over 75 years of age, nine others over 70, twenty-one others over 65, and sixty-five others over 60. About three-quarters of the force were more than 40 years old. This is too large a proportion for due efficiency. It is true that some men between 40 and 50 years of age, and occasionally men between 50 and 60 years of age, are more satisfactory and will do more and better work than some younger men; indeed, heads of departments have stated to the Commission, and its own investigation bears out the statement, that some of the younger men are the least reliable; but this ought not to be so. Of the force at the time of the Commission's examination, 222 men, or about 31 per cent. of the entire number, were appointed when they were more than 40 years of age. This works a wrong to the city, for the older a man is when first employed the sooner he will pass beyond the age of full efficiency.

The work of the laborers in the Sewer Department is varied, some of it being of the most arduous kind, requiring young and vigorous men; other portions are not as laborious, and there are a number of positions which may be filled satisfactorily by men physically unable to perform hard manual labor. The latter positions, for economical reasons as well as in a spirit of fairness, should be filled by the older men, who have been long in the service and have earned the right to consideration. As a matter of fact many comparatively young men have been placed in positions not requiring arduous

manual labor. There were in the department over 140 such positions. Of these at least 50 were unnecessary and superfluous. The others should be given to the older men, while the younger men should be placed in the trenches. No old man should be required to do hard work while a young man is working at an easier job practically by his side. A system of promotions should be established, and the older men transferred to the easier positions as vacancies occur, thus leaving the most difficult work for the new appointees.

The Civil Service Commissioners should be asked to certify only such men as are physically capable of doing this difficult work. In this way the force will be recruited from young and vigorous men. The Sewer Department in its recent applications to the Civil Service Commission has placed an age limit of 40 years for laborers. This should be adhered to, and should be adopted by all departments requiring heavy manual labor.

Substantially the same conditions have prevailed in the Water Department. Nearly 18 per cent. of the labor force in the distribution division and 16½ per cent. of that in the income division at the time of the Commission's examination were over 60 years of age. Nearly 36 per cent. of the force in the distribution division and over 39 per cent. of that in the income division were over 40 years of age when appointed.

2.—THE LACK OF DISCIPLINE.

Another difficult problem is that of getting efficient work from capable but unwilling employees. There is in many instances an evident desire to give to the city as small, instead of as large, a return as possible for money received. This is not confined to the day laborer. It is found in all ranks. Men come late to or absent themselves from their work, loiter and waste time, and are restive under discipline. The heads of departments have been afraid to enforce discipline, and until lately practically no one has been suspended or discharged, no matter how grave his offence or how frequently repeated. As a result the city pays for labor which is not given.

3. — THE DECREASE IN EFFICIENCY.

The Commission is in sympathy with the adoption of an 8-hour day for city laborers, but feels that the city ought to get the benefit of the good results predicted by its advocates. In this it has no doubt that all honest laborers will agree. It has been claimed that a man would accomplish as much or nearly as much in 8 hours as in 9 or 10; but, however this may be, it is clearly true that the city should receive at least eight-tenths as much in work as under the former system. In fact it has been receiving approximately one-half.

For a number of years the City Engineer has kept a record of the average labor cost of pipe laying work performed by the Water Department on jobs involving no special difficulties and no rock excavation, plotted in the form of a diagram to show the progressive changes in the cost. This begins with the year 1878 and has been brought down to July, 1907.

The following table shows the changes that have occurred in the rate of pay and the hours of labor and the years in which the changes were made :

YEAR.	Rate per Day.	Hours per Week.
1878.....	\$1 75	60
1888.....	2 00	50
1891.....	2 00	54
1897.....	2 00	50
1900.....	2 00	44
1907 (July 1).....	2 25	44

Thus the pay has increased from \$1.75 to \$2.25 per day, while the hours of labor have decreased from 60 to 44 per week; but instead of a corresponding increase, there has been a marked decrease in the efficiency of the labor. A study of the City Engineer's chart shows that the labor cost per lineal

foot of pipe has quadrupled since 1878; that is, that an eight-hour day at \$2 in 1907 (with a Saturday half-holiday) yielded about one-fourth the results of a ten-hour day (with no half-holiday) at \$1.75 in 1878.

Another striking example is found in the cost of brick laying in the Sewer Department. The Commission has compared the cost to the Metropolitan Water and Sewerage Board under certain of its contracts with the cost to the City of Boston upon certain of its work. The difference is startling. Upon the city work the Commission noted that the lowest average number of brick laid per mason per hour for any one week was 4, and the largest average number 242, as against 94 and 570 respectively upon the Metropolitan work. The highest average number of brick laid per mason per hour, for an entire job done by the Sewer Department, was 78, whereas the lowest average upon the Metropolitan work was 165 and the highest 384. Upon a representative city job the average number of bricks laid per mason per hour in the week most productive of results was 115 bricks, and in the week least productive 13 bricks, the average for the entire job being only 50 bricks per mason per hour. At about the same time upon a contract job of the Metropolitan Water and Sewerage Board the average number of bricks laid per mason per hour in the most productive week was 338 bricks, in the least productive week 94 bricks, the average being 224 bricks. In one job done for the city by contract, the average number of bricks laid per mason per hour in the least productive week was 242.

Calculating both jobs, *i.e.*, the one done by contract for the Metropolitan works and that done by the city by day labor upon the same basis of pay, the Metropolitan work cost \$3.13 per 1,000 bricks laid, while the city work cost on various jobs at the minimum \$9.48, and from that to as high as \$18.34 per 1,000 bricks laid. This is in all instances simply the mason cost, excluding the pay of mortar mixers and tenders. The excessive cost is further shown by the fact that on one contract job performed for the city the cost to the contractor on the same basis was only \$2.98 per 1,000 bricks.

It is now claimed by the department that the average number of brick laid per mason per hour has risen, even in the unfavorable winter weather, to 200; and the city authorities say that they intend, and have no reason to doubt that they will be able, to increase the average number in favorable weather to 250 or more.

4. — FAULTY PLANNING.

The difference in the amount of work done by the masons cannot be charged wholly to a lack of desire or willingness on their part to do a reasonable day's work, but must be attributed in part to poor management of the department, which was unable to provide a sufficient amount of work to keep the masons busy, either by employing too many masons, or through lack of foresight in not pushing the excavation with sufficient rapidity to provide for the proper progress of the masonry. Masons have been kept on the pay-roll when there was insufficient work for them to do. This is true of other departments, and other branches of labor, a very much larger force than was necessary being employed solely for political or personal reasons. The results for whatever cause were financially disastrous.

There is a great waste of time due to the failure to arrange economically the work of different classes of men. This is well illustrated in the method adopted for cleaning catch-basins by the Sewer Department, already reported upon. Careful thought should be given to finding a remedy for this unfortunate operation of the eight-hour law. The time of beginning and of ending work should be so arranged that each man shall give the city the full eight hours for which he is paid. The foregoing statements are based upon reports made to the Commission by Messrs. Metcalf & Eddy covering a period prior to the present year.

5. — REMEDIES.

To bring about a change in all these respects something radical must be done. Something has already been accom-

plished; but the trouble is deep-seated. The waste and inefficiency is largely due to lack of system. Under the present arrangement, labor, even when willing, is unable to do its best. To attain the highest efficiency a complete reorganization in the departments themselves must be had.

In the Sewer Department, for example, there are at present two branches, the engineering and the executive, which are practically independent of each other and oftentimes work at cross purposes. The engineers have very little real authority in carrying out their own work. They should have more power, and to accomplish this they should be made a part of the executive branch. The chief engineer should be the superintendent or deputy superintendent, and through him all orders should be transmitted to the district engineers. He should keep in close touch not only with questions of design, but also with the progress of the work and the suitability of methods adopted for its execution, and, through a principal assistant engineer, with all matters of detail not properly under the district engineers, such as the records and the financial accounts and designs.

The district engineers should be responsible for their respective districts with such assistant engineers as may be necessary. Each district would probably require at least one assistant engineer in charge of the day labor force, and one in charge of the contract work. The assistant engineers in charge of the day labor forces should receive from the district engineers and transmit to the various foremen the orders under which the latter are to perform their work. Thus the methods of executing the work would be constantly under the direction of the Engineering Department. The engineers would have the benefit at all times of the suggestions and experience of the foremen, and the foremen would have the oversight and stimulating influence of the engineers, with the result of better methods on the part of the foremen, and more practical designs on the part of the engineer.

The assistant engineers in charge of contracts should have control of the work through the inspectors, who should report to them directly. It would not then be possible for the

engineer to evade responsibility because the inspector or foremen did not require the work to be executed in accordance with his plans and directions, nor would it be possible for the inspector or foreman to evade responsibility because of any lack of co-operation on the part of the engineer.

Any failure in the inspector or in the foreman to meet the necessary standard of ability and effectiveness would be at once observed, and corrected, or the man discharged. There are too many inspectors, and probably one-half of them are unfit for their duties and should be replaced. There should be a thorough weeding out of the incompetents.

On day labor work a cost account and upon contract work a force account should be kept so that the department and the public may know at all times what the work is costing, and these records for all of the districts should be preserved and filed in the office of the principal assistant engineer so that they may be used in making estimates upon future work, and to assist in determining whether or not bids upon contract work are reasonable. They should be at all times available for reference for all the district and assistant engineers. On the day labor work it would be the duty of the engineer to report whether a larger force was being employed than the work in hand required, and whether the force was working with proper efficiency.

Other departments should be reorganized on similar lines. The Commission will be glad to have its engineers, Messrs. Metcalf & Eddy, who have given most careful consideration to the subject, assist in such reorganization.

But no system, however good theoretically, will be effective if it is not carried out in good faith by those who have it in charge. Heretofore political or personal influence has been allowed to interfere with the right and duty of superiors to discharge the incompetent and inefficient, some of whom, even after discharge, have been restored to their positions through such influence. It has happened, not infrequently, that a foreman pays no attention to the admonition of the engineer, and the laborer with political influence defies the foreman, while unnecessary employees are loaded upon

the job at the behest of politicians. This should not be tolerated. Heads of departments as well as foremen should be held to strict account for the accomplishment of results and should be upheld in matters of discipline. This implies that they themselves should be men of capacity, experience in construction work, and absolutely trustworthy. All others should be eliminated from the service.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND BOARD
OF ALDERMEN RELATING TO THEIR RE-
QUEST THAT THE FINANCE COMMISSION
FIND NEW SOURCES OF REVENUE.

BOSTON, April 9, 1908.

To the Honorable the Mayor and Board of Aldermen:

GENTLEMEN, — The Finance Commission has received, through the Mayor, a communication from the Board of Aldermen requesting the Commission to "submit within a reasonable time to the City Council recommendations looking towards the raising of revenue for the city from new sources."

The amount of revenue should be limited to the city's needs. The primary inquiry, therefore, should be, not how much, but how little the city requires for the proper and economical discharge of its functions. Before seeking new sources of revenue it should be made certain that existing sources are insufficient.

It was doubtless with this thought in mind that the City Council of 1907, in authorizing the appointment of this Commission, directed it to examine into the expenditures of the city, and into existing methods of administration, and to consider whether the appropriations and loans for the various departments were larger than necessary; and the Commission, therefore, has deemed it proper to devote most of its time in the first instance to a discovery of the manner in which the moneys now raised by the city are actually expended.

The work of the past eight months has satisfied the Commission that there is no need of increased taxes or additional income from any source in order to meet the legitimate expenditures of the city.

The Commission found the City Government in a state of demoralization, intelligent administration almost wholly lacking, far too many employees, salaries excessive and politics

taking the place of business methods. The result is that much of the city work is poorly done; that fraudulent methods, many of them petty in character but expensive in the aggregate, have crept into the administration; that the cost of the work is generally excessive, often two or three times what it would be in private hands; and that in the past twelve years the tax rate has risen from \$13 to \$16 on the thousand, and the debt has increased four times as fast as the wealth and seven times as fast as the population of the city.

This burden of taxation and misgovernment is borne by the entire community through increased rents and higher prices for the necessities of life, and unless lightened will bring the community into a state of civic and industrial stagnation. The way to improve these conditions is not to levy additional taxes, or to raise additional revenue, but to spend less money, and to see that the reduced expenditures are honestly and intelligently made.

The Finance Commission has no doubt that if the various departments of the city are properly organized, intelligent methods of administration introduced, and waste and misappropriation stopped, more work can be done at less cost than now, and that the present taxes and revenue are ample for all the legitimate needs of the city. In the reports already made to the Mayor and City Council the Commission recommended economies in several departments which, if effected, would save over \$600,000 in the current expenditures of the City Government. These reports cover only a part of the city's business. There is no doubt that much greater savings can be made in these and other departments not yet reported upon, without impairing the efficiency of the service.

If new revenues can be found which will not impose new burdens on a community already overtaxed, and which will be used to reduce the tax rate or the debt, or to distribute more equitably through special assessments or otherwise the burden of expenditure, the Commission will be glad to make the discovery. The Commission is now studying this question and invites practical suggestions in this or any direction making for economy or better government.

The Commission feels that to discover new funds or to invent new schemes of taxation merely to increase the volume of municipal expenditure would tend to encourage extravagance in administration and would serve no useful purpose.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING TO SPECIAL HOLIDAYS FOR CITY EMPLOYEES.

Boston, April 15, 1908.

HONORABLE GEORGE A. HIBBARD, *Mayor*,
City Hall, Boston, Mass. :

SIR, — The Commission learns that a practice has grown up in recent years of allowing the Hebrew employees of the city to have four days off, with pay, to celebrate the Passover holidays, and that the heads of departments intend to grant the privilege this year.

The Commission trusts that this practice will be discontinued. If made permanent it would extend the scope of the existing but unlawful and unbusinesslike custom of paying for service which is not rendered. It has been customary to pay city employees for time when they were sick and unable to work. On some occasions, and to some extent, there may have been justification for the practice, but in many cases it was unwarranted, and in most cases unlawful. In a written opinion given to the Mayor on October 29, 1906, on the question of "the legality of paying to employees of the city their salaries while they are sick and unable to work," the Corporation Counsel stated that it would be illegal to pay an employee for wages for time in which he was incapacitated for work and gave to the city no equivalent for the sum paid him.

City employees have frequently received pay for days when they did no work, and when illness was not the cause of their absence. It has been the practice to pay them for legal holidays and for days other than legal holidays in which they were absent from work while at picnics or celebrating some historical or patriotic occasion, or attending the funeral of some public man, who was not a member of their family nor even a distant relative.

So far as the practice of paying employees for time in which no service is rendered is unlawful it should be pro-

hibited by executive order, and the auditor should not under any circumstances approve such unlawful claims. As to payments which are not required by law for work not performed, but which rest in the discretion of the heads of departments, they should either be withheld altogether or permitted only under extraordinary circumstances.

Most particularly should such gratuities not be bestowed on city employees in a manner likely to engender religious controversies. If one class of employees is permitted without financial loss to abstain from work in order to observe its religious festivals, employees of other faiths will certainly demand like privileges, and one of two evils will come to pass; some will have to be denied, in which case religious discrimination will be alleged, or all must be granted the favor, in which case the city will pay an enormous sum in wages to employees who observe the many religious fasts and festivals during the year. To use a single illustration, thousands of city employees could ask for leave of absence with pay during the whole of Holy Week, or at least on Good Friday, and the Mayor could grant either request on grounds just as reasonable as those upon which the privilege relating to the Hebrew employees is based.

The Commission is informed that the amount involved in the present case is not large, but as similar practices have in the past cost the city many thousands of dollars annually, it believes that as to all classes of employees the practice of awarding gratuities should be abandoned.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO COLLUSION
BETWEEN BIDDERS FOR IRON AND
STEEL WORK UPON BOILERS,
BRIDGES AND BUILDINGS.

BOSTON, April 17, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN,— The Finance Commission has already called attention to certain administrative practices under which, by connivance between favored contractors and the city authorities, the advantages of competition were lost, contracts were given out by political favor instead of to the lowest bidder, and the city sustained serious financial loss.

Contracts of this sort, relating to coal, clay goods and various forms of concrete construction, were referred to in the report of November 21, 1907; for North River flagging in the report of December 6, 1907; for sewer construction in the report of January 23, 1908; for crushing stone in the report of March 2, 1908; for cement in the report of March 4, 1908; for oil, drain pipe and paving blocks in the report of March 9, 1908; and for the cleaning of catch-basins in the report of March 28, 1908. Similar practices in the purchase of coal were disclosed at the public hearings held by the Commission in September and October, 1907.

In its report of January 28, 1908, the Commission noted the apparent existence of a combination between the manufacturers of the rubber tires used by the Fire Department.

The Commission now desires to direct attention to instances of collusion between ostensible competitors for iron and steel work, by means of which, and by false representations, the city has been induced to award contracts at excessive prices.

The methods discussed in this report will be considered under three heads, namely: combinations among boiler

makers, combinations among contractors for fireproofing, and combinations between corporations and firms engaged in the manufacture or supply of structural steel.

1.—COMBINATIONS IN BOILER REPAIR WORK.

The boilers in the various city schools are examined yearly by an inspection and insurance company to ascertain their condition, and upon reports of this company arrangements are made for the renewal or repair of the boilers as required.

For some years it has been the practice of the Schoolhouse Commission to invite bids from selected firms and corporations for this class of work. The department has been in the habit of confining the selection of contractors to those doing business in this city, and the concerns receiving such invitations during the past few years have been the Atlantic Works, the James Russell Boiler Works Company, the Cunningham Iron Company and the Hodge Boiler Works.

The subsequent proceedings were generally as follows :

Some one familiar with the operations of the Schoolhouse Department would furnish each person invited to bid the names of the other persons to whom invitations had been extended. The concerns selected would then arrange between themselves as to who should do the work, as to the price to be fixed, and as to the division of the profits. Bids, ostensibly independent and competitive, were then submitted ; and the department, being misled by this appearance of genuine competition, awarded the contract to the concern which the bidders had agreed should get the work. Upon completion of the work the excessive profit rendered possible by this collusive competition would be divided among the parties to the fraud.

In the summer of 1904 contracts were made with the James Russell Boiler Works Company for the repair of boilers in the Albert Palmer, Roxbury High, Winchell, Mary Hemeway and Aberdeen Schools. Besides this concern, the Hodge Company, the Cunningham Company and the Atlantic Works had been invited to submit bids. The aggregate amount paid by the city on these contracts was about \$2,600, and of this the treasurer of the company stated that about

\$1,400 was profit. Out of this sum the company paid \$300 to the Hodge Boiler Works, \$200 to the Cunningham Iron Company, and \$300 to the Atlantic Works for having submitted to the city prearranged bids higher than those submitted by the James Russell Boiler Works Company.

The \$300 appears on the books of the James Russell Boiler Works Company, and is offset by a false entry of "merchandise" to balance the account. The \$300 paid the Atlantic Works was not entered upon the company's commercial books. The \$300 paid the Hodge Boiler Works was entered on its books, according to the treasurer's statement, as "cash received," but the Commission could not find the entry. The \$200 paid the Cunningham Iron Company was entered "account school-houses."

In August, 1906, a contract was awarded to the James Russell Boiler Works Company for repairing boilers in the Agassiz, Harry Vane, Blackinton, Hyde, Lawrence, Miles Standish, Norcross, Roger Clap, Robert G. Shaw, West Roxbury High and Wyman schools. The price was \$1,904. The other concerns who had been invited to bid by the Schoolhouse Commission were the Cunningham Company and the Hodge Company. The gross profits on this job were about \$740, and the James Russell Boiler Works Company paid the Hodge Company and the Cunningham Company \$150 apiece for having submitted higher bids, according to agreement.

The treasurer of the Atlantic Works testified before the Commission that he bid on the 1904 jobs for the purpose "of helping out our competitors by bidding above them," and that the bids were talked over beforehand and the amounts of the same arranged between the bidders. He justified this and similar transactions as a part of the company's regular business methods, and said that in his opinion it was "an entirely proper transaction." The superintendent of the Atlantic Works testified that his company often put in bids not intended to secure the work.

The treasurer of the James Russell Boiler Works Company testified that his concern had done much business with the city, that on several occasions he had paid money to com-

petitors for putting in apparently genuine bids which, by preconcerted agreement, were higher than his, and that his company had paid out a part of its profits for this accommodation. He admitted, also, that he had destroyed the books of the company which would disclose these transactions.

The treasurer of the Hodge Boiler Works testified that he knew who the other bidders were to be, having probably found out from some one in the Schoolhouse Department.

The manager of the Cunningham Iron Company admitted that the \$200 received in 1904 was for "bidding up" on the work at the request of the James Russell Boiler Works Company.

2. — COMBINATIONS OF FIRE-PROOFING CONCERNS.

The two concerns whose transactions with the city have been investigated are the Eastern Expanded Metal Company and the Roebling Construction Company, corporations doing an extensive business in this city.

These companies combined for the purpose of parcelling out the work. Contract for contract was generally conceded, although in some cases money was paid as the price of abstaining from competition. This resulted in high prices to the customer, and exactions were thus obtained from all sorts and conditions of men and corporations. Even charities secured no exemption, and the prices obtained from a hospital, a home for crippled children and the City of Boston were united in one check, which represented the price of collusion on these jobs. The two companies arranged to parcel out the work on many school-houses, the Roebling Company taking some, while the Eastern Expanded Metal Company secured the rest. Both concerns, however, by keeping up the appearance of an active and real competition with the attendant circumstances of figuring and bidding, gave the city officials to understand that there was no collusion.

The methods adopted are illustrated by the case of the Emerson School in East Boston, for the erection of which bids were invited in January, 1903. The fire-proofing was figured by the Eastern Expanded Metal Company at \$5,375. To this sum \$500 was added for the Roebling Company, and

a bid submitted to the city of \$5,875. The Roebling Company agreed to bid \$5,986, and did so. The work was then awarded by the general contractor to the concern which was apparently the lowest bidder, the Eastern Expanded Metal Company, for \$5,875; this sum was paid by the city to the general contractor and by him to the Eastern Expanded Metal Company, and at the conclusion of the work this company paid the Roebling Construction Company the \$500 agreed on.

3. — COMBINATIONS IN THE STRUCTURAL STEEL TRADE.

About the year 1900 a carefully planned combination was created embracing practically all the firms and corporations engaged in structural steel work in New England. These concerns had previously been linked together in an association called the "New England Iron League," ostensibly maintained for the purpose of mutual protection against labor troubles, hostile legislation and "unscrupulous contractors." Members of the league who entered into the combination in regard to contracts and bids, hereinafter referred to, called it the "Boston Agreement," or the "Reporting Agreement"; but the testimony of certain persons and certain letters indicates that the "League" and the "Agreement" were interchangeable designations.

The purposes and methods of this combination were as follows:

A central office was established and placed in charge of an officer called the commissioner, to whom the members of the combination reported as to work which they intended to figure on or desired to secure. The commissioner kept a record of these reports and notified each concern so reporting what other members of the agreement were figuring on the job. Meetings of the members interested in this particular work were then arranged, at which it would be determined whether an arrangement for collusive bidding should be entered into. If this was decided on, an agreement was made as to who should get the job, as to the price at which it should be taken, and as to the consideration which was to be received by the others.

In order to preserve the appearance of competition and to insure the success of the scheme, the parties to the agreement would arrange the bids to be submitted in a progressive scale above the prearranged bid of the concern to which the work had been allotted. The consideration to be paid by the selected bidder to the other parties to the combination was sometimes a cash payment, but more frequently an understanding that the service rendered by these "complimentary" bids should be returned when other work was to be figured.

In further maintenance of the appearance of competition, and that no suspicion of collusion should arise in the mind of the party asking for bids, the members of the agreement did not hesitate to fortify their bids by false statements in writing that they were made in good faith, without fraud, collusion, or connection with any other bidder.

The machinery of the Boston Agreement was carried out in considerable detail. Cards were printed on which the members reported to the commissioner, and the commissioner then recorded on them the persons figuring each piece of work. Stamps were used to mark as "Important" those matters in which any member was particularly interested. A code was established to conceal the identity of the members of the combination, who were designated at one time by the names of various countries and at other times by numbers. The scheme was complete in every particular except that of perpetuating evidence of the meetings at which particular combinations respecting individual work were entered into.

Beyond establishing the existence and general purposes of this combination, the inquiry of the Commission was limited to the particular transactions directly or indirectly affecting the pecuniary interest of the City of Boston. It was shown, however, that the combination was of the most widespread character, that it included substantially all the local concerns and many of the largest corporations in the United States engaged in manufacturing or furnishing structural steel for use in any part of New England, and that it affected the Commonwealth, the cities and towns, the railroads and street

railways, the owners of first-class buildings, and generally all persons having occasion to use iron or steel for any purpose in this section of the country.

The ostensible purpose of the Boston Agreement, as stated by the secretary of the New England Structural Company and the president of the Boston Bridge Works, two of its members, was to collect and distribute mutual information respecting the work the members were bidding on; but, as admitted by the witnesses, its real and ultimate objects were to regulate competition and to raise prices. Most of the members of the agreement were engaged in interstate commerce, and many of the particular combinations effected were clearly within the narrowest definition of commerce between the states as that phrase is used in the Act of Congress of July 2, 1890.

The meetings of the prospective bidders brought about through the machinery of the Boston Agreement were not always successful. As explained by the president of the Boston Bridge Works, the effort to get together and to secure for one of the members a "concession" of the work in question sometimes failed; but "in many cases" an agreement was reached whereby work was "conceded" to one of them, the others agreeing to bid over him. He added that such an agreement was "always made if possible."

It would be impossible to estimate the cost to the city and other users of structural steel through the operations of the Boston Agreement, because the consideration generally paid for an award of a contract by the bidders to one of their number was the return of the same favor on other occasions. No passage of money was necessary, as the complimentary bidders were in due course to have their turn for doing work on their own terms. Some indication, however, of the loss to the consumer may be deduced from some of the transactions with the City of Boston noted below.

So far as the city is concerned, it appeared that the operations of the Boston Agreement included the tidewater and railroad bridges built by the city itself, the bridges built by the various railroads in this city for the abolition of grade crossings, the work of the Transit Commission, the work of

the Charles River Basin Commission, and the structures of the Boston Elevated Railway Company, in the cost of which the city has, under Statute 1897, chapter 500, section 10, a pecuniary interest.

The following instances, showing the detail methods of the combination known as the Boston Agreement, are confined to work done directly for the City of Boston.

The Bennington Street Bridge.—In the case of this bridge, advertised in November, 1901, the Boston Bridge Works paid various sums aggregating \$700 to five possible competitors in return for an agreement on their part either to submit higher bids or to abstain from bidding.

The Broadway Bridge.—In September, 1902, bids were invited for the construction of this bridge. The two leading competitors were the Boston Bridge Works and the New England Structural Company. The contract was awarded to the former, as the lowest bidder, for \$112,874. An arrangement, however, had been made between these two bidders for putting in a bid on behalf of the New England Structural Company at the higher figure of \$116,450, in return for which this company was to receive the sum of \$5,000. This arrangement was carried out, and in due course \$5,000 was remitted by the Boston Bridge Works to the New England Structural Company as the price of this concession.

The Cove Street or Atlantic Avenue Bridge.—Bids for the superstructure of this bridge were advertised for by the city in June, 1903. For various reasons it was at this time very difficult to estimate on this work, and the bids were all rejected. In October, 1904, the work was again advertised and awarded to the Pennsylvania Steel Company, the lowest bidder. This was apparently a case of straight competition. In October, 1905, the City Engineer advertised the draw span of this bridge, and the Pennsylvania Steel Company, representing to its competitors that it had lost money on its contract for the superstructure, persuaded the members of the combination to let it have this contract to enable it to recoup the loss sustained under the other contract. Concerted bids, so arranged as to make the \$56,600 bid by the Pennsylvania Steel Company the lowest bid, and all contain

ing the false statement that there was no fraud, collusion, or connection with any other person bidding for the work, were submitted to the city. According to the testimony of one of the bidders, the corporations making these collusive bids and false representations were the Boston Bridge Works, the King Bridge Company, the New Jersey Bridge Company, the Eastern Bridge and Structural Company, the Canton Bridge Company, the American Bridge Company, the Groton Bridge Company and the Pennsylvania Steel Company. Those bids were all rejected as excessive, and the draw span was again advertised in January, 1906. Discouraged by the former failure, everyone seems to have bid this time in real competition; the lowest bid being that of the New Jersey Bridge Company, which was awarded the contract for \$37,788. The president of the Boston Bridge Works, one of the bidders, admitted that there was no change in the steel market between October, 1905, and January, 1906.

In this instance, therefore, the result of the combination was to raise the bid for the contract by \$18,812, or about 50 per cent. of the final contract price.

The Brookline Street Bridge. — Bids were invited for the construction of this bridge in November, 1905. The members of the combination believed that they had perfected an arrangement by which the work should go to the New England Structural Company, but through some oversight or misunderstanding the firm of H. P. Converse & Co. made a lower bid. As a result this concern was the lowest bidder and obtained the contract for \$15,400, about 5 per cent. less than the bid of the New England Structural Company.

There was evidence from two members of the combination that all the bids except that of H. P. Converse were prearranged and collusive. Yet these eleven other bidders, namely, the New England Structural Company, the Pennsylvania Steel Company, the Boston Bridge Works, Frederick W. Sage, for the Belmont Iron Works, the Eastern Bridge and Structural Company, the Berlin Construction Company, the American Bridge Company, the Canton Bridge Company, the New Jersey Bridge Company, the Groton Bridge Company and the Owego Bridge Company, not only submitted

bids as if they were independent and competing bidders, but signed statements that their bids were made in good faith, without fraud, collusion, or connection with any other persons bidding for the same work.

In this instance the failure of the combination to arrange matters with all the bidders saved the city about 5 per cent. of what would otherwise have been the cost of the work.

The membership of the Boston Agreement included the following firms and corporations:

American Bridge Company.
 The Phoenix Bridge Company.
 Brown-Ketcham Iron Works.
 Berlin Construction Company.
 The Boston Bridge Works, Inc.
 Chelmsford Foundry Company.
 The Canton Bridge Company.
 G. W. & F. Smith Iron Company.
 New England Structural Company.
 Boston Steel & Iron Company.
 Eastern Bridge & Structural Company.
 Megquier & Jones Company.
 United Construction Company.
 Springfield Construction Company.
 New England Bolt & Nut Company.
 J. T. Croft & Co.
 Smith & Lovett Company.
 L. M. Ham & Co.
 Fletcher & Crowell Company.
 H. P. Converse & Co.
 Miliken Bros.
 Levering & Garrigues Company.
 James H. Tower.

CONCLUSIONS AND RECOMMENDATIONS.

Comment on the moral meaning of these methods and transactions would seem superfluous; but as they were defended at the public hearings of the Commission and asserted to be common and entirely proper incidents of business life, and as these practices have been freely resorted to by some of the largest industrial corporations that the world

has ever known, the Commission deems it proper to record its own opinion.

The Commission dislikes to believe that these practices are, as alleged, established by the general custom of the business community; and this defence itself, if unchallenged, amounts to a grave accusation against the honesty of present business methods.

To answer an invitation for public or private work by sending in what purport to be genuine bids, but what in reality are collusive figures purposely made higher than the bid which it is known will be submitted by one of the supposed competitors, is an act of plain dishonesty.

To support these misrepresentations by false affirmations in writing that the bids are submitted in good faith, and without fraud, collusion or connection with any other bidder, is a positive and deliberate fraud; the successful bidder in the competition is guilty of obtaining money by false pretenses; and the others have made themselves parties to a conspiracy clearly unlawful at the common law.

Where, as in the case of the "Boston Agreement," a number of the most important manufacturers and dealers in structural steel in this country, including the American Bridge Company, one of the constituent members of the United States Steel Corporation, have combined together for the purpose of raising prices by means of collusive bids and false representations, their conduct is not only repugnant to common honesty, but is plainly obnoxious to the federal statute known as the Sherman or Anti-Trust law.

The Commission believes that an example should be made of these men, and that the members of the "Boston Agreement," or at least all those who in October and November, 1905, entered in the fraudulent competitions for the Cove-street draw span and the Brookline-street bridge, should be brought before a Federal Grand Jury for violation of the Act of Congress of July 2, 1890. The three years' limitation for participation in these transactions has not yet elapsed, and the evidence obtained by the Commission is so complete that there should be no difficulty in the government's securing a conviction in this case.

This recommendation applies to the officers and directors of the following corporations, as well as to the corporations themselves, viz.:

American Bridge Company of New York.
 The Pennsylvania Steel Company.
 New Jersey Bridge Company.
 New England Structural Company.
 The Boston Bridge Works, Inc.
 Eastern Bridge and Structural Company.
 Berlin Construction Company.
 The Canton Bridge Company.
 The Groton Bridge Company.
 Owego Bridge Company.
 The King Bridge Company.
 Frederick W. Sage, for Belmont Iron Works.

So far as the pecuniary interests of the City of Boston are concerned, the Commission recommends that an action be brought in the State courts to recover the money out of which the city was defrauded in the boiler repair contracts of 1904 and 1906, in the fire-proofing contracts, and in the Broadway Bridge transaction of 1902; and that suits be brought in the United States Circuit Court for the District of Massachusetts against all the members of the "Boston Agreement" who competed for city work, to recover the triple damages allowed in such cases by the provisions of the Sherman Act.

For the future, the Commission recommends that before any contract is let, whether by public advertisement or by private invitation, for work exceeding \$1,000 in amount, the contractor be required to furnish a statement under oath that his bid was made in good faith, without fraud, collusion, or connection of any kind with any other bidder for the same work, or with any city official, that the bidder is competing in his own interest, and in his own behalf without connection or obligation to any undisclosed person, and that no other person has any interest in the profits of the contract; and that a similar affidavit be required from all persons submitting to any department figures for sub-contracts where the work is let to a general contractor.

Also that the Legislature be requested to pass an act making it a misdemeanor punishable by fine or imprisonment, or both, to submit such an affidavit which contains a false statement; making it a misdemeanor punishable by fine or imprisonment, or both, for two or more persons invited publicly or privately to compete for public work to enter into any combination affecting the bid of either; making any contract entered into by the city with a person or corporation who has been a party to such a combination void, at the option of the city, as to the part uncompleted at the date when the fraud is discovered; and giving the city the right to recover any money previously paid in excess of the reasonable value of the completed part.

The Commission also recommends that the practice of city departments to restrict their invitations to local concerns be discontinued. The city is entitled in its contract work to the largest field of competition.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE COMMON COUNCIL
RELATING TO THE BIDS FOR THE RECON-
STRUCTION OF THE BOYLSTON-STREET
BRIDGE.

Boston, April 17, 1908.

To the Honorable the Members of the Common Council:

GENTLEMEN, — In answer to the inquiry of the Common Council of date, April 2, 1908, which inquiry is as follows:

“ *Ordered*, That the Finance Commission investigate and report to this body whether or not there was collusion in the bids just received for the reconstruction of the Boylston-street Bridge, so called,”

The Commission reports that the foregoing order was referred to the counsel for the Commission, who has examined the City Engineer and representatives of both the bidders and others, and reports that there is disclosed no evidence of collusion in the bids.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

**COMMUNICATION TO THE BOARD OF ALDER-
MEN RELATING TO THE ADVISABILITY OF
ABOLISHING THE STATISTICS DEPART-
MENT.**

BOSTON, April 17, 1908.

To the Honorable the Board of Aldermen :

GENTLEMEN, — On April 9, 1908, the Commission received from your Honorable Board a request to investigate and report upon the advisability of abolishing the Statistics Department of the City of Boston. The Commission has made a partial investigation and submits the following report :

Under the Revised Ordinances of 1898, chapter 37, the Statistics Department is placed under the charge of a board of six trustees, and is required to "collect, compile and publish such statistics relating to the City of Boston, and such statistics of other cities for purposes of comparison, as said Board may deem of public importance." The work of the department is under the supervision of a secretary, who receives an annual salary of \$3,000, and the payments to other employees of the department average about \$4,000 a year. The appropriations and expenditures of the department for the last five years are as follows :

	Appropriations.	Expenditures.
1903-04	\$13,475 00	\$13,536 88
1904-05	10,000 00	9,999 84
1905-06	10,000 00	10,000 00
1906-07	12,000 00	12,209 18
1907-08	12,500 00	12,170 70

The department publishes financial statistics relating to the City of Boston and also statistics upon a variety of subjects, including health, mortality, commerce, real estate, school census, elections, bank clearings, tonnage, value of imports

and exports, and meteorology. Some of these statistical data are incorporated in the regular publications of the department, and additional data are furnished in special reports which are called for from time to time by the Mayor and the City Council, but which do not appear in the regular publications of the department.

A great deal of the material for its publications is taken from the reports of the Auditor, and of other departments of the city, and to some extent involves a duplication of work. It presents, however, statistics in a form different from that of the other departments, and is the only medium from which information on certain subjects may be procured without laborious search of the bulky departmental reports.

The Commission believes that neither the Statistics Department nor the reports of the other city departments present in either economical or scientific form the statistical data which the city ought to publish. The system as a whole may be criticized as inadequate and unduly expensive. The Commission is informed that small volumes containing information relating to municipal life are published by European cities at an expense slight in comparison to that incurred by the City of Boston for the publication of voluminous documents which contain statistical matter that is mostly waste, often badly constructed and generally unaccompanied by analysis.

The Statistics Department should not be abolished until a better system is provided in its stead. The Commission is studying the problem of establishing a single agency for the collection and publication of a sufficient body of intelligible statistics in small compass and at comparatively slight expense. Whether such an agency should be a separate statistics department or a bureau in another department the Commission is not at present prepared to say. It therefore recommends that the Statistics Department be continued for the present.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE COMMITTEE ON METROPOLITAN AFFAIRS RELATING TO HOUSE BILL, NO. 37, PROVIDING FOR THE CREATION OF A DEPARTMENT OF FINANCE.

Boston, April 28, 1908.

To the Honorable the Committee on Metropolitan Affairs :

GENTLEMEN, — The Finance Commission has given careful attention to House Bill No. 37, providing for the creation of a Department of Finance in the City of Boston, and recommends that it be referred to the next General Court.

There are features in the bill which are meritorious, and others which are objectionable. It may be thought wise upon further study to give the principle of the bill wider application than is given in the present measure. Certainly the present system is defective; but it is not yet clear to the Commission what the true remedy is. It would seem better to postpone action now so that the next Legislature, with the aid of the fuller information which will then be available, and which sound legislation requires, may embody the fundamental principle of the measure in a general scheme of charter revision.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE ACTING GOVERNOR
RELATING TO INCREASES IN THE SALARIES
OF CERTAIN COUNTY OFFICIALS.

BOSTON, May 12, 1908.

HON. EBEN S. DRAPER, *Acting Governor*,
State House, Boston, Mass.:

SIR, — The Finance Commission desires to call to your attention the effect of House Bill No. 376, now before Your Excellency for approval, upon the disordered finances of the City of Boston.

This bill would make it possible for the Sheriff of Suffolk County to receive an increase in his salary of \$1,000 per annum. The Commission is informed that this is only one of a series of bills now before the Legislature increasing the present liberal salaries paid to the officials and employees of the City and of the County of Suffolk.

The City of Boston pays all the expenses of the County, and the Finance Commission believes that in the present condition of the city finances, and in view of the excessive scale of expenditure already established in the different branches of municipal service, no act should be passed by the Legislature directing or permitting an increase in the salary paid any official or employee of the County of Suffolk.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman

COMMUNICATION TO THE LEGISLATIVE COMMITTEE ON METROPOLITAN AFFAIRS RELATING TO A BILL RELATIVE TO CONTRACTS BY THE CITY OF BOSTON.

Boston, May, 14, 1908.

Voted: That the Finance Commission is of the opinion that the first of the pending amendments to House Bill No. 1,546, printed on page 1,012 of the Journal of the Senate, ought to be adopted as a perfecting amendment; but that the second proposed amendment, namely, adding at the end of said section the words "and provided further that the provisions of this section shall not apply to any such head of department or employee except as to contracts and purchases made by the department of which he is the head or employee", ought not to be adopted.

In the opinion of the Commission the latter amendment would leave the door open to some of the evils at which the bill is aimed. It believes that the city can better afford to lose the services of a would-be contractor, however honest, than to be subject to loss through a dishonest contractor; and that neither the head of a department, whether paid or unpaid, nor any employee, should be permitted to contract with any department.

COMMUNICATION TO THE WATER COMMISSIONER RELATING TO THE REPORTS OF THE FINANCE COMMISSION AND ITS EXPERTS ON THE WATER DEPARTMENT.

Boston, May 15, 1908.

WILLIAM E. HANNAN, ESQ., *Water Commissioner*,
58 City Hall, Boston, Mass.:

DEAR SIR, — The Finance Commission desires to call your attention to the various reports relating to your department which have from time to time been submitted by this Commission to the Mayor and City Council; also to the numerous reports prepared for the Commission by the experts engaged by it, in so far as these reports relate to your department.

The Commission assumes that it is your desire and purpose to reorganize your department as speedily as possible along economical and efficient lines; and it believes that the reports in question, particularly the very careful papers prepared by Messrs. Metcalf & Eddy, if taken advantage of, will result in a great decrease in the annual cost of your department and in a material increase in the efficiency of the force.

As soon as you have had time to study these reports the Commission would be pleased to have a conference with you and to hear your views concerning the advisability and practicability of reorganizing your department along the lines suggested in these reports, or on such other lines as may seem to you to be preferable.

The reports in question are as follows:

A. — BY THE FINANCE COMMISSION.

Report of August 15, 1907, to be found on page 24 of the printed records of the Commission, relating to loans for the extension of mains.

Report of August 26, 1907, *ib.* page 27, relating to the same subject.

Report of February 5, 1908, *ib.* page 188, relating to the annual reports of the department.

Report of February 29, 1908, *ib.* page 207, relating to the positions of assistant commissioner.

Report of April 2, 1908, *ib.* page 263, relating to the efficiency of labor in this department.

B. — BY MESSRS. METCALF & EDDY.

Report of August 26, 1907, relating to the ages and terms of service of the laborers in this department.

Report of September 3, 1907, in continuation of the report of August 26, 1907.

Report of September 17, 1907, on the contents of the annual reports of the Water and Street Departments.

Report of December 2, 1907, on the contract work done by the department in 1906 and 1907.

Report of December 23, 1907, on the cost of holidays, etc., in the department.

Report of December 23, 1907, on the efficiency of labor.

Report of December 28, 1907, on the cost of laying pipe.

Report of January 6, 1908, on the cost of hydrant maintenance in winter.

Report of January 7, 1908, on the cost of work in the department.

Report of January 8, 1908, on the annual reports of the department.

Report of March 17, 1908, on the annual reports of the department.

Report of April 28, 1908, on the reorganization of the department.

Report of May 13, 1908, on the work done in the machine shop.

C. — BY THE EASTERN AUDIT COMPANY

Report of December 16, 1907, relating to a readjustment of salaries and improved methods of administration.

Copies of the reports by the Commission are to be found in the printed proceedings at the pages noted. Copies of the reports by the Eastern Audit Company and Messrs. Metcalf

& Eddy can be seen at the office of the Commission and copies of such as you may desire will be furnished you.

The Commission will, of course, be glad to have you confer at any stage of your study with Messrs. Metcalf & Eddy.

Very truly yours,

THE FINANCE COMMISSION,

by

N. MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING TO
THE BIDS FOR COAL SUBMITTED UNDER
THE NEW SPECIFICATION.

BOSTON, May 18, 1908.

HONORABLE GEORGE A. HIBBARD, *Mayor*,
City Hall, Boston, Mass. :

DEAR SIR, — In reply to your letter of May 13, requesting the advice of the Finance Commission with respect to the purchase of coal under the bids recently submitted, the Commission begs to report that it has considered the seventy-three bids submitted for furnishing in the aggregate 32,500 tons of semi-bituminous steaming coal, more or less, for the Children's Institutions Department, Pauper Institutions Department, Ferry Division, Sewer Division, Penal Institutions Department, and Health Department, and recommends the following awards :

DEPARTMENT.	Amount.	Contractor.	Quality.	Price.	
Children's Institutions.....	700 tons,	Spring Coal Co.,	Pocahontas,	\$4.13	Plan 1.
Pauper Institutions.....	4,800 "	Metropolitan Coal Co.,	Jenner,	3.65	Plan 2.
Ferry Division....	10,000 "	Spring Coal Co.,	Pocahontas,	3.52	Plan 1.
Sewer Division....	10,000 "	Spring Coal Co.,	Pocahontas,	3.68	Plan 1.
Penal Institutions.....	6,500 "	Clarke Bros.,	Hillsdale,	3.17	Plan 2.
Health Department	500 "	Spring Coal Co.,	Pocahontas,	4.10	Plan 1.

In each case where the differential between the lowest bid on Plan 1 for such high grade coals as Pocahontas, New River, or Georges Creek Big Vein of the best quality, is less than 20 cents per ton more than the lowest bid on Plan 2 for Pennsylvania coals such as have been offered, the Commission recommends the award on Plan 1. The 20 cents differential adopted by the Commission is at least 5 cents less than the prevailing commercial differential, but the Commission has fixed 20 cents as a safe and conservative rule of decision

in this particular case. The Commission suggests that it be adopted for this case only, subject to modifications which may be required later as experience has been gained in analyzing chemically and testing under the grate the coal delivered under these contracts.

The adoption of this rule results in the selection of Pocahontas coal in the case of the Children's Institutions Department, Ferry Division, Sewer Division and Health Department, as that coal is the lowest offered in each of these cases under Plan 1. In the case of the Pauper Institutions Department the difference between the lowest bid on Plans 1 and 2 is 24 cents, and the Commission therefore recommends that the contract be awarded to the Metropolitan Coal Company for Jenner coal at \$3.65. In the case of the Penal Institutions Department the lowest bid on Plan 2 is that of Clark Brothers for Hillsdale coal at \$3.17, which is 31 cents lower than the Pocahontas coal offered by the Spring Coal Company on Plan 1. The Commission believes that the Hillsdale coal, on account of its lower price, should be tried, as the safeguards provided for the rejection of inferior coal and the exaction of penalties for deviations from the standard established under the specifications are adequate to protect fully the city's interests.

The Commission recommends that chemical analyses of all coal delivered under these contracts be carefully made, and also that boiler tests be made under a general rule to apply to all departments, and that records of these tests be preserved for guidance in future purchases.

By these means the city will be enabled to ascertain exactly the efficiency of the several coals and the number of heat units it receives per dollar of expenditure.

In response to your inquiry, whether, in the opinion of the Commission, "the interests of the city have been properly safeguarded" in this competition, the Commission would say that the bids recommended for acceptance will result in the purchase of 32,500 tons of coal for \$22,557, or about 70 cents per ton—approximately 20 per cent.—less than the cost of coal to the departments in question in the years 1906 and 1907. Taking into account the lower cost of coal and freights at

the present time, the actual saving will be not less than 50 cents a ton. Moreover, in the years named the city did not receive coal of the kind or quality contracted for, whereas under the present specifications the delivery of coal of the kind contracted for and of high efficiency is secured, providing the terms of the contract are enforced.

Yours very truly,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO SUPERINTENDENT OF
STREETS EMERSON RELATING TO THE
REPORTS OF THE FINANCE COMMISSION
AND ITS EXPERTS ON THE STREET
DEPARTMENT.

BOSTON, May 19, 1908.

GUY C. EMERSON, ESQ., *Superintendent of Streets*,
City Hall, Boston, Mass.:

DEAR SIR, — The Finance Commission desires to call your attention to the various reports relating to the different divisions of your department which have from time to time been submitted by this Commission to the Mayor and City Council; also to the numerous reports prepared for the Commission by the experts engaged by it, in so far as these reports relate to this department.

The Commission assumes that it is your desire and purpose to reorganize your department as speedily as possible along economical and efficient lines; and it believes that the reports in question, particularly the very careful papers prepared by Messrs. Metcalf & Eddy and Mr. Whinery, if taken advantage of, will result in a great decrease in the annual cost of your department and in a material increase in the efficiency of the force.

As soon as you have had time to study these reports the Commission would be pleased to have a conference with you and to hear your views concerning the advisability and practicability of reorganizing your department along the lines suggested in these reports or on such other lines as may seem to you to be preferable.

The reports in question are as follows:

A. — RELATING TO THE SEWER DIVISION.

(a.) — *By the Finance Commission.*

Report of January 23, 1908, to be found on page 150 of the printed records of the Commission relating to organization, loans, etc.

Report of February 5, 1908, *ib.* page 188, relating to the annual reports of the department.

Report of February 25, 1908, *ib.* page 198, relating to construction loans.

Report of February 27, 1908, *ib.* page 202, relating to methods of purchasing coal.

Report of March 4, 1908, *ib.* page 217, relating to methods of purchasing cement.

Report of March 12, 1908, *ib.* page 230, relating to the completion of the marginal conduits along the Charles River Basin.

Report of March 19, 1908, *ib.* page 247, relating to construction loans.

Report of March 28, 1908, *ib.* page 250, relating to the cleaning of catch-basins.

Report of April 2, 1908, *ib.* page 263, relating to the efficiency of labor.

(b.) — *By Messrs. Metcalf & Eddy.*

Report of October 11, 1907, containing a list of parties receiving contracts between February 6, 1906, and August 1, 1907.

Report of December 21, 1907, on the efficiency of the day labor force.

Report of December 21, 1907, on the same subject.

Report of December 23, 1907, on the same subject.

Report of December 24, 1907, on the same subject.

Report of December 27, 1907, preliminary report on the operations of the Sewer Department.

Report of December 28, 1907, on the efficiency of labor.

Report of January 6, 1908, on certain contracts for cleaning catch-basins.

Report of January 8, 1908, on the annual reports of the department.

Report of January 29, 1908, on legislation relating to sewer construction.

Report of January 29, 1908, preliminary report on the separate system of sewerage.

Report of February 28, 1908, on the system of cleaning catch-basins.

Report of March 3, 1908, relating to the annual reports of the department.

Report of March 5, 1908, relating to the cleaning of sewers.

Report of March 11, 1908, relating to the Metropolitan Sewerage System.

Report of March 12, 1908, on the same subject.

Report of March 12, 1908, on the same subject.

Report of March 14, 1908, on the annual reports of the department.

Report of March 17, 1908, on the marginal conduits along the Charles River Basin.

Report of April 10, 1908, additional report on the cleaning of sewers.

Report of April 10, 1908, expenditures for separate system of drainage.

Report of May 9, 1908, on the reorganization of the department.

(c.) — *By the Eastern Audit Company.*

Report of December 28, 1907, salaries and clerical methods in use in this department.

B. — RELATING TO THE BRIDGE DEPARTMENT.

By the Finance Commission.

Report of December 17, 1907, to be found on page 124 of the printed records of the Commission, relating to salaries.

Report of April 17, 1908, *ib.* page 277, relating to collusive bidding.

C. — RELATING TO THE FERRY DIVISION.

By the Finance Commission.

Report of February 27, 1908, to be found on page 202 of the printed records of the Commission, on the methods of purchasing coal.

D. — RELATING TO THE STREET CLEANING AND SANITARY DIVISIONS.

(a.) — *By the Finance Commission.*

Report of February 5, 1908, to be found on page 188 of the printed records of the Commission, on the annual reports of these divisions.

(b.) — *By Messrs. Metcalf & Eddy.*

Report of September 17, 1907, on the annual reports.

Report of January 8, 1908, on the same subject.

E. — RELATING TO THE PAVING DIVISION.

(a.) — *By the Finance Commission.*

Report of February 5, 1908, to be found on page 188 of the printed records of the Commission, on the annual reports.

Report of March 2, 1908, *ib.* page 211, on the stone crushers.

(b.) — *By Messrs. Metcalf & Eddy.*

Report of September 17, 1907, on the annual reports.

Report of January 8, 1908, on the same subject.

(c.) — *By Mr. Samuel Whinery.*

Report of February 14, 1908, on the cost of stone crushing.

Report of March 20, 1908, on the cost of pavements.

Report of April 10, 1908, on the Columbus avenue paving contract.

F.—RELATING TO THE SUPPLY DEPARTMENT AND STREET DEPARTMENTS GENERALLY.

(a.) — *By the Finance Commission.*

Report of January 31, 1908, to be found on page 183 of the printed records of the Commission, on consolidation of the department.

Report of March 9, 1908, *ib.* page 223, on the method of purchasing oil, drain pipe and paving blocks.

(b.) — *By the Eastern Audit Company.*

Report of December 30, 1907, on salaries and clerks.

(c.) — *By Mr. Samuel Whinery.*

Report of March 16, 1908, on the annual reports.

Report of April 24, 1908, on records and accounts for supplies and labor.

Copies of the reports by the Commission are to be found in the printed proceedings at the pages noted; the reports by the Eastern Audit Company, Messrs. Metcalf & Eddy, and Mr. Samuel Whinery can be seen at the office of the Commission, and copies of such as you may desire will be furnished you.

The Commission will, of course, be glad to have you confer at any stage of your study with Messrs. Metcalf & Eddy.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING
TO THE ACQUISITION OF LAND BY THE
SCHOOLHOUSE DEPARTMENT.

Boston, May 29, 1908.

HONORABLE GEORGE A. HIBBARD, *Mayor*,
City Hall, Boston, Mass.:

SIR,—In studying the Schoolhouse Department, the Finance Commission found that there was some misunderstanding of the law relating to the acquisition by purchase of land for school purposes. It therefore asked the opinion of the Corporation Counsel and has received from him a reply. A copy of each communication is enclosed herein. The Commission suggests that the same be communicated to the Schoolhouse Department and the Board of Street Commissioners, for their future guidance.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

[COPY.]

Boston, May 14, 1908.

THOMAS M. BARSON, ESQ.,
Corporation Counsel:

DEAR SIR,—By chapter 297 of the Acts of 1889, the School Committee of the City of Boston was given "full power and authority to select, bond and purchase the land required for school buildings and their yards," provided they kept within their appropriation.

By chapter 408, section 2, of the Acts of 1895, it was provided that "the Board of Street Commissioners of said city, at the request of the School Committee, shall take by purchase or

otherwise such lands for school purposes as said School Committee with the approval of the mayor shall designate."

There does not seem to be any provision repealing chapter 297 of the Acts of 1889.

By chapter 473 of the Acts of 1901, the Schoolhouse Department of the City of Boston ~~was~~ established, and by section 2 of that Act it is provided, "*The said board shall have and exercise all the power and authority conferred, and be subject to all the duties and obligations imposed, by all existing laws, whether special or general, upon the City Council or School Committee of the City of Boston relating to selecting lands for school purposes and requesting the street commissioners to take the same.*"

By section 3 of said Act it is provided, "that, *whenever the price proposed to be paid for a lot of land is more than 25 per cent. higher than its (average) assessed valuation during the previous three years, then said land shall not be taken by purchase.*"

Subsequent legislation has provided additional funds for further land and buildings for school purposes.

The Finance Commission requests your opinion whether under existing laws the Schoolhouse Department with the approval of the Mayor can make a contract with the owner for the purchase of land for school purposes at an agreed price within the statute limit, and then request the Street Commissioners to take the land *by purchase at this agreed price?* In other words, if the Schoolhouse Department and the Mayor desire a specific piece of land which they can obtain by agreement with the owner at a specific price within the statute limit, can they make a contract for such purchase which is binding upon the owner and the Street Commissioners? If, influenced by the price named by the owner, the Schoolhouse Department decide upon a specific piece of land, must the city be exposed to the danger of paying a price higher than that contemplated?

If there is no power in the Schoolhouse Department to make such a contract, is there any power in the Street Commissioners or elsewhere by which a contract as to the price can be made by the city which shall be binding upon the owner in case of a subsequent purchase?

Have the Mayor and the Schoolhouse Department a right to purchase land for school purposes (within the statute limit as to price) without the intervention of the Street Commissioners in a way similar to that whereby the Fire Department or the Cemetery Department may purchase land for their purpose at private sale?

Very truly yours,

(Signed) NATHAN MATTHEWS,
Chairman.

CITY OF BOSTON, LAW DEPARTMENT,
73 TREMONT STREET, BOSTON, May 19, 1908.

HON. NATHAN MATTHEWS,
Chairman Finance Commission,
Tremont Building, Boston :

DEAR SIR, — In reply to your letter of the 14th inst., I would say that in my opinion the power of the Schoolhouse Department in regard to selecting lands for school purposes and requesting the Street Commissioners to take the same rests entirely upon chapter 473 of the Acts of 1901 creating the department. All the authority they were given was the authority which the City Council or School Committee had before to *select* lands and *request* the Street Commissioners to take them.

In my opinion, therefore, the Mayor and the Schoolhouse Department have no right to purchase land for school purposes without the intervention of the Street Commissioners. In my opinion the Schoolhouse Department can make a contract with the owner for the purchase of land for school purposes at an agreed price within the statute limit and then request the Street Commissioners to take the land by purchase at this agreed price, *provided, however*, that this agreed price does not exceed by more than 25 per cent. the average assessed value of the land during the previous three years. The Street Commissioners would then purchase for the city at the agreed price.

Yours truly,

(Signed) THOMAS M. BABSON,
Corporation Counsel.

COMMUNICATION TO THE MAYOR RELATING
TO THE SALE OF THE STONE CRUSHING
PLANTS OF THE CITY OF BOSTON.

BOSTON, May 29, 1908.

HONORABLE GEORGE A. HIBBARD, *Mayor* :

SIR, — In reply to your request of May 26, 1908, the Finance Commission desires to say that it believes that the crushing plants advertised for sale should be sold upon the basis of the bids received, that is to the highest bidder in each case. This opinion is based upon the understanding that the sale does not include the surplus parts, great numbers of which are understood to be on hand. A great number of these spare parts were entirely new, and no reason has been discovered why they were bought in such numbers. An inventory should at once be made of this material, and it should be sold for what it will bring. In this way the city will probably secure the full dismantlement value of the five plants as reported by Mr. Whinery.

If the bids include the spare parts, the Commission recommends that they be rejected, and the plants readvertised under specifications carefully defining the machinery to be sold.

The Commission believes that the remaining three crusher plants should also be disposed of forthwith as recommended in its report of March 2, 1908. In the operation of the city crushers the loss during the past twelve years has been approximately \$1,000,000. As stated in its report the Commission believes that this waste should be stopped at once, and that the plants should be dismantled and sold.

The Commission regrets to learn that the Brighton crusher plant is to be started up shortly by city labor. The Superintendent of Streets and the Chief Engineer of the department have stated to the Commission that they do not favor the reopening of this plant, and do not believe that any permanent good will be accomplished by doing so.

In view of these opinions, and in the light of past experience, the resumption of stone-crushing by the city cannot be regarded as an experiment. The Commission believes that nothing more injurious to the cause of economy and reform could occur than the renewal of the costly and wasteful practices which the Commission brought to light last winter in the report referred to. The people of this city have suffered enough from ventures of this character. Even if the results at first should be favorable they would not be permanent, and in a short time the business of crushing stone would again be conducted at an excessive cost to the city.

The Commission recommends, therefore, that the city crusher plants not included in the pending sale be advertised at once and disposed of on the best available terms.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE LEASES OF
THE FANEUIL HALL AND QUINCY MARKET
BUILDINGS.

BOSTON, June 9, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — The Finance Commission submits herewith a report on the subject of the leases of the Faneuil Hall and Quincy market buildings.

For many years the amount which the city should charge its tenants in these buildings has been the subject of controversy. As recently as the year 1902 the rentals were increased thirty per cent. pursuant to an order of the City Council, and leases for five years were executed accordingly. These leases expired on April 1, 1907, and they have not since been renewed, the tenants meanwhile being tenants at will and paying the old rates.

Early in 1907 the Committee on Market Department of the City Council considered the question of rentals and employed a real estate expert to assist them. On June 4, 1907, the expert made his report, and recommended an increase of the rentals in both markets of $9\frac{9}{10}$ per cent. A majority of the committee on December 23, 1907, reported to the Board of Aldermen in favor of an increase of thirty per cent., and another order for a renewal at the existing rates was considered, but no action was taken on either proposition, and the subject was referred to the next city government.

On February 15, 1908, the Finance Commission requested the aid of real estate experts in the determination of the value and proper duration of the market leases. Messrs. Edmund D. Codman, Russell G. Fessenden and Leslie C. Wead kindly consented to serve, and made the necessary investigation. Their report and recommendations were submitted to the Commission on May 29 last. These gentlemen made

a careful examination of the whole subject, and for this valuable service, rendered without compensation, they are entitled to the thanks of the community.

It is recommended by these gentlemen that the rentals now charged in both markets for stalls and cellars be increased $12\frac{1}{2}$ per cent., and that in addition the tenants now occupying space under the sidewalks, but paying no rent therefor, be charged fifty cents a square foot for such space. To give the tenants a sense of security, while assuring stability to the city's investment, it is recommended that leases be executed on the above basis for a term of ten years. It is recommended that no increase be made in the charges for sidewalk privileges, and that the hours of opening and closing the markets remain as at present.

It is also recommended that the rent of the premises now occupied by the Ames Plow Company be increased from \$3,300 to \$5,000 per annum.

The report is based not on the utmost which the city as a landlord may expect from its tenants, but on the rentals which in their judgment are just to both.

The Commission concurs in these recommendations, and commends the report of the Committee to the careful consideration of the Mayor and City Council.

These changes will increase the city's annual income from the market from \$114,127 to \$131,198, an advance of \$17,071, or about fifteen per cent., over the present revenues, and forty-nine and one-half per cent. over those of March 30, 1902.* On the basis of a fair valuation of the property the net return will be about four per cent. As the buildings are so constructed that the rents for the second floor are necessarily low, and as no rent is received for space above

* The details are:

<i>Quincy Market.</i>		Present	Proposed
		Rent.	Rent.
Stalls and cellars		\$74,946	\$87,673
Sidewalk.....		10,246	10,246
Ames Plow Company.....		3,300	5,000
Others.....		2,275	2,275
		\$90,767	\$105,194
<i>Faneuil Hall Market.</i>			
Stalls and cellars.....		21,136	23,780
Sidewalk.....		2,224	2,224
		\$114,127	\$131,198

the second floor, an income of four per cent. on a fair valuation is as much as may reasonably be expected under existing circumstances.

Appended hereto is a copy of the report of the Committee.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

BOSTON, May 29, 1908.

BOSTON FINANCE COMMISSION,

434 Tremont Building, Boston, Mass.:

DEAR SIRs, — On February 15, your Commission requested us to consider and report upon the following questions regarding Boston public markets:

1. What rentals should be charged for the stalls?

The Commission suggests that in answering this question it will be well to give heed, not only to the fair market value of the stalls, but to the importance of maintaining a high class of tenants.

2. The proper length of the leases.

3. What restrictions may judiciously be imposed for humanitarian reasons? A measure recently before the City Council contemplated the closing of the market between 6 A.M. and 7 A.M. and on Wednesday afternoons. Is this wise? Can a landlord accomplish in this way the purpose he intends, or will the result simply be to throw the business to competitors outside the market?

4. Is the upper floor of Quincy Market leased at satisfactory rentals?

In pursuance of this request we have held numerous conferences; we have requested the city officials to furnish us with detailed information regarding existing leases, rentals and expenses of the markets; we have notified His Honor the Mayor that we were prepared to receive any suggestions bearing upon this subject which might be submitted by any

representative of the city; we have given one hearing, which was attended by about sixty of the lessees of the market, who have supplied us with a large amount of information in response to certain questions left with them, and another hearing at which the employees of the market were requested to appear and advise regarding the change in the hours for opening the markets; we have personally visited the markets and neighboring properties to observe the conditions of the trade; we have consulted with owners of other properties regarding the rentals which they obtain; we have had a conference with the representative of the Ames Plow Company, tenants of the upper part of Faneuil Hall Market, and we submit herewith a statement of our recommendations; and, supplementary thereto, a summary of the facts presented to us, setting forth the basis for our conclusions. We also submit the following papers:

Plan of the market and neighboring properties, with assessed values for 1906.

Answers to twenty-two questions submitted by us to a committee of the market men.

Letters from George E. McKay, Superintendent of Markets, and sundry memoranda furnished by him regarding areas, rentals, expenses, etc.

Letter under date of April 13, from the President, Treasurer and Directors of the Ames Plow Company.

Letter from James A. Gallivan, Street Commissioner, with copies of communications from Stephen O'Meara, Police Commissioner.

Letters from Fourth National Bank and Faneuil Hall National Bank regarding the value of leases.

Blank form of market lease now in use.

Document 100, 1907, giving schedule of the leases of stalls and cellars.

Document 133, 1907, report of committee on market department relative to leases.

Form of application to Street Commissioners for sidewalk privileges.

List of charges made by Street Commissioners for sidewalk privileges in certain cases selected for purposes of comparison.

First. — In answer to question 1: The rentals now charged for space in both markets ought to be increased both on stalls and cellars by adding twelve and one-half per cent. to existing rentals; and to this should be added fifty cents per foot for space under the sidewalks occupied by tenants, for which no charge is now made. For sidewalk privileges no increase is recommended. While you have not asked us to report upon the last two items, we supposed this was an oversight, and have, therefore, taken them into consideration.

It is probable that most of the lessees would pay a larger increase rather than move, but we have recommended an increase to what we consider to be the fair market value of the space under consideration, and have left it to your discretion whether an attempt should be made to obtain more. We do not recommend a larger increase, however, because the aggregate net return from the market, with the increase suggested, compares favorably with the return upon the value of other property and with rentals obtained for similar property in the neighborhood. It also appears that a considerable number of the lessees, some of whom have borrowed money, assigning their leases as collateral, are finding it difficult to conduct their business with profit, and any greater increase in their rentals might work a hardship which would result in the surrender of the leases. The more important tenants, whose business has been long established, could easily afford to pay even higher rentals, but it seems probable that some of these, a large part of whose business is done outside the market, would seriously consider the abandonment of the market rather than to add materially to the rentals which they now pay. It therefore seems not only just to the weaker tenants that no radical increase of rentals should be required, but it seems also to be wise policy for the city not to disturb the larger tenants, whose financial responsibility and reputation count for much in maintaining the high character of the market and of the surrounding property in which the city is naturally, to a large extent, interested.

Second. — In answer to question 2: The tenants express themselves as favoring a longer tenure than has heretofore

been given under leases. A term of ten years seems to us to be fair to both parties, particularly when it is considered that there is a strong feeling that the growth of the market business in the near future will be by the establishment of neighborhood markets in residential sections, and that there may be a corresponding diminution in the business of the central markets. The leases for the longer term would give more stability to the city enterprise and to values of surrounding property, while giving assurance of greater permanency to the tenants. The leases should date from the time when the new schedule goes into effect.

Third. — In answer to question 3: There seems to be no present demand from any source for a change in the hours when the market shall be open. Both lessees and employees express themselves as satisfied with these hours, although in many cases the lessees are placed at a disadvantage in competition with their neighbors who have no restrictions as to the time when they may occupy their premises for the conduct of their business.

We find that in the construction and remodelling of the market little attention has been paid to the provision of toilet facilities, and that, although a large number of women are employed in various capacities by the lessees, no toilet rooms have been provided for them. The rectification of this defect seems to be imperatively demanded.

Fourth. — In answer to question 4: The upper floor of Quincy Market does not yield an adequate return. There are about 22,000 square feet of rentable space, for which the city receives about \$5,600. Of this, \$1,800 is paid by the Fruit and Produce Exchange for a net space of about 4,500 feet, or about 40 cents per square foot. The Ames Plow Company occupies about 17,000 feet on the second floor and substantially the entire attic at a rental of \$3,300, which is less than 20 cents per foot, without taking into account the attic, which, however, has but small value. Some small offices are also rented at rates which appear to be fairly satisfactory.

The space occupied by the Ames Plow Company is divided, about 13,600 feet being west of that occupied by the Fruit

and Produce Exchange and 3,400 feet being at the easterly end of the building, having no connection with the larger portion except through the attic, and having such entrances as to make it unavailable for any use except for storage. It has been suggested that a part or all of this easterly section might be rented to the Fruit and Produce Exchange — possibly at the rental at the same rate per foot as that paid for the portion now occupied by them. The Ames Plow Company, however, expresses an unwillingness to continue its tenancy if any part of the space it now occupies should be cut off. It is our opinion that if this company should be willing to renew its lease for a satisfactory term at a rental of \$5,000 per annum (an advance of about fifty per cent.) without calling upon the city to make any repairs, either at present or during the term of the lease, that this would be fair to all parties concerned. This lease might be made as suggested by the officers of the Company on the basis of an annual advance in the rental for a period of two or three years until the maximum of \$5,000 should be reached.

The alternative to renewing this lease would be to take possession of the premises, making the necessary expenditure to put the second story in condition to be rented for offices or storerooms in connection with the market stalls and to lease them for such prices as could be obtained. We have not made any estimate of the expenditure required or the rental which could be obtained, and should not advise this step until after careful estimates and consultations with tenants of the stalls.

A wholly different solution of the problem would be the remodelling of the premises for use by the city in lieu of space now hired at higher rentals in outside buildings. We have not studied this with any care, as it did not seem to come within the scope of our investigation.

We call attention to the form of market lease now in use, and suggest that before new leases are made the Law Department should be requested to revise the form of lease.

We also call attention to that part of the bill submitted to the legislature last year by Police Commissioner O'Meara which provides that the authority heretofore exercised by the City

Council and the Superintendent of Markets in respect of the renting for market purposes of parts of buildings and premises owned by the city shall be hereafter vested in the Board of Street Commissioners. It seems to us that some body other than the City Council would be more competent to fix the rental. In any event two boards should not be allowed to charge rentals, as at present, when the Street Commissioners can add charges for sidewalk privileges to those already fixed by the City Council. No such change, however, should, in our opinion, include the abolition of the office of Superintendent of Markets.

Respectfully submitted,

(Signed)

E. D. CODMAN,

R. G. FESSENDEN,

LESLIE C. WEAD.

Committee.

BOSTON FINANCE COMMISSION—MARKET LEASES.

[Summary of facts upon which the recommendations regarding the rentals for market space are based.]

Prior to 1874 the assessors did not place any value on property which was exempt from taxation. The assessment of Faneuil Hall Market in various years since that date was as follows:

	Value Land.	Value Buildings.	Total Valuation.
1874	\$550,000	\$400,000	\$950,000
1880	550,000	400,000	950,000
1890	787,200	400,000	1,187,200
1900	1,096,000	300,000	1,396,000
1907	1,584,400	300,000	1,884,400

In the valedictory address of Nathan Matthews, Jr., made to the City Council on January 5, 1895, and published by the city, is the following referring to Quincy Market:

The Quincy Market. — The next undertaking or investment of the kind under discussion was the establishment of the Quincy Market. This undertaking, begun during the elder Quincy's administration, had paid for itself by 1848, and has since yielded

an aggregate profit above all expenses of nearly \$3,000,000. Table 26 in the Appendix contains the accounts of the Quincy Market from 1825 to January 1, 1894, and may be summarized as follows:

	Principal.	Income.	Totals.
Payments.....	\$1,240,280 62	\$969,316.06	\$2,209,596.68
Receipts.....	1,178,758 85	3,888,877.65	5,067,631.00
Balance	\$61,527 27	\$2,919,561.59	\$2,858,084.32

The property consists of 27,400 square feet of land, assessed at \$822,000, and of a building assessed at \$300,000, making the total assessed value of the estate \$1,122,000. The annual income exceeds the annual expenditure by about \$57,000, which is a little over five per cent. on the assessors' valuation. Taking the loss in tax receipts due to its ownership by the city into account, the net profit to the city amounts to about three and three-quarters per cent. per annum. While this is less than the average return from private investments in land, yet it will hardly be denied that an undertaking which paid for itself in twenty years, which has since yielded and is still bringing in a net revenue of nearly \$60,000 a year, and which furnishes public accommodations of great value, has been a success, regarded from the standpoint of a municipal investment.

In an appendix to this address is given in detail a list of the payments and receipts on account of the market from its building in 1825-6 down to and including the fiscal year 1893-94, from which the following information is taken:

The initial cost of the land, buildings, etc., in the fiscal year 1825-6 was \$532,797.33.	
Additions were made at various times down to the year 1856-7, bringing the total up to	\$1,240,280 62
The cost of repairs and alterations during the entire period covered by the statement amounted to	162,966 72
The charge for interest up to the year 1866-7 amounted to	384,365 27
Total cost of land, buildings, repairs, alter- ations, interest	<u>\$1,787,612 61</u>

Against these were receipts from sales of	
land up to 1869-70	\$1,178,758 35
Interest up to 1868-69	186,948 08
Total receipts on account of principal . . .	<u>\$1,315,701 43</u>
Showing the net cost of the property as it	
stood at the close of the fiscal year 1893-94 .	<u>\$471,911 18</u>
During this time there were receipts from rents	
of	\$3,669,559 70
From miscellaneous sources	82,339 87
Making a total income of	<u>\$3,751,899 57</u>
The payments on this account during the same	
period were :	
For salaries	\$385,433 91
For miscellaneous items	86,550 16
	<u>\$421,994 07</u>
Showing a net revenue of	<u>\$3,329,905 50</u>
Total receipts from all sources were	\$5,067,631 00
Total payments	<u>2,209,596 68</u>
Showing a net profit in excess of the cost of	
land, buildings and operating expenses of every	
nature at the close of the fiscal year 1893-94 .	<u>\$2,858,034 32</u>

The long market is about 50 feet wide, the central part of the building being 55 feet, by 534 feet long, the lot containing 27,400 square feet. There are 44 basement spaces, each being about 25 feet deep; 33 of these have areas under the sidewalks, excavated at the expense of the tenants and occupied without payment of rent. Total space excavated, 6,700 feet. Rental charged for basements is 95 cents a foot, exclusive of sidewalk privileges and space under sidewalks.

The stalls on the main floor are 17 feet deep, exclusive of walls, the main aisle being 11½ feet wide. There are 14,895 feet of net space in the stalls, which rents for \$53,927, or \$3.62 a foot. As a matter of custom, an average of \$3.30 per foot is charged for the inside stalls, and \$4.42 per foot for the stalls on the corners of passageways. The rentals

charged for the stalls occupied by fish dealers are lower than the average, because the location is not considered as desirable.

New Faneuil Hall is about 81 feet by 103 feet, containing 8,460 square feet. The basement stalls are 35 feet deep and rent for 95 cents a foot. The stalls on the main floor contain 5,013 square feet and are from 13½ to 15 feet deep. The gross rental is \$15,196, or \$3 a foot. The rentals run from \$2.75 a foot to \$3.83 a foot, according to location.

For sidewalk privileges the following charges are made in both markets :

1. For use of sidewalk solely, the only restriction being that the tenant shall not interfere with passing, 25 cents for each foot of cellar occupied by tenant.

2. Plank floor in the street, 5 feet deep on North Market street and 8 feet deep on South Market street, and as wide as the cellar occupied by tenant, 20 cents for each foot of cellar occupied by the tenant.

3. When the latter is covered by a temporary roof, 45 cents instead of 20 cents.

The total amount collected for sidewalk privileges in Faneuil Hall Market is \$10,246. An additional charge is made by the Street Commissioners for the use of sidewalks around New Faneuil Hall Market, as per list at the end of this report.

For the purpose of comparison, statements were prepared showing the rentals paid on a large number of estates on North Market street, South Market street, Faneuil Hall square, Dock square, Blackstone street and North street. These were all tabulated and the average returns for the separate localities were computed for comparison with like returns from the rentals of the market. Most of this information having been confidentially given to the committee, it is not deemed proper to report it in detail.

The figures for nine estates on North Market street, thirteen estates on South Market street, seven estates on Faneuil Hall square and Dock square, and six estates on Blackstone street have been tabulated, and the results are as follows :

LOCATION.	Area.	ASSESSMENTS.				RENTAL.		
		Land.	Buildings.	Total.	Per Foot.	Gross.	Per Foot.	Per Cent. Assessment.
Nine estates on North Market street.....	11,960	\$587,400	\$76,700	\$664,100	\$55 52	\$45,190	\$3 77	6.1%
Thirteen estates on South Market street..	19,485	809,400	137,700	947,100	48 66	60,811	3 12	6%
Seven estates on Faneuil Hall square and Dock square.....	15,527	772,300	75,700	848,000	54 61	47,415	3 05	5.1%
Six estates on Blackstone street.....	9,926	276,800	49,400	326,200	32 88	25,409	2 56	7.1%

In the foregoing tabulation, although most of the estates are leased at a net rental, the lessees paying the taxes, we have added the taxes for the current year so as to show the gross rental as forming a better basis of comparison with the market property. There are so few of these estates which are leased by the owners to separate tenants that no exact figures as to the rentals of separate portions are available, but it is found that most of these properties contain cellar, street floor and three and one-half stories of lofts, and the lofts rent for about \$1 per foot of the ground covered. For the purposes of this comparison, therefore, the following figures, based on the land area, may be taken as about the average return of the ground floors and basements of these several properties:

North Market street	\$2.77 per foot.
South Market street	2.12 "
Faneuil Hall square and Dock square	2.05 "
Blackstone street	1.56 "
Gross rentals for stalls and basement in Faneuil Hall Market, leaving out sidewalk privileges, is \$74,946 for 27,400 feet	2.74 "

A further comparison may be made between the three blocks between Merchants row and Commercial street, having front-ages on North Market street and South Market street, as follows:

LOCATION.	Area.	ASSESSMENTS.					
		Land.	Per Foot.	Buildings.	Per Foot.	Total.	Per Foot.
N. Market-street Block, 23 estates.....	28,311	\$1,517,900	\$53 61	\$199,600	\$7 05	\$1,717,500	\$60 66
S. Market-street Block, 22 estates.....	33,580	1,528,300	45 50	247,000	7 36	1,775,300	52 86
Faneull Hall Market...	27,400	1,534,400	56 00	300,000	10 93	1,834,400	66 95

From these figures it will be observed that the assessors have placed a valuation on the market property considerably in excess of that of the neighboring properties, this excess applying both to land and buildings.

It will also be noted that the estates, the rentals of which are included in the foregoing list, on North Market street yield a gross return of 6.8 per cent. on the assessed value, and those on South Market street 6½ per cent., from which taxes are to be deducted to show a net return. In order to obtain a gross return equal to the similar return of the minimum figures above given, namely 6½ per cent. on the assessed value of \$1,834,400, the rentals should amount to \$120,279, but the return on this property is almost wholly from the cellars and first floor, so that to obtain a fair basis of comparison a further computation seems to be essential, and it has seemed proper to make the comparisons on the assessed value of the land, as the assessment on the building seems to us to be too high in proportion to its cost and as compared with other buildings in the neighborhood.

As shown on page 9: Nine estates on North Market street, containing 11,960 feet, rent for \$2.77 a foot = \$33,129, which is 5.6 per cent. of the assessed valuation of the land.

Thirteen estates on South Market street, containing 19,485 feet rent for \$2.12 a foot = \$41,408, which is 5.1 per cent. of the assessed valuation of the land.

Seven estates in Faneull Hall square and Dock square, containing 15,227 feet, rent for \$2.05 a foot = \$31,215, which is 4.3 per cent. of the assessed valuation of the land.

Six estates on Blackstone street, containing 9,926 feet,

rent for \$1.56 a foot = \$15,484, which is 5.6 per cent. of the assessed valuation of the land.

Faneuil Hall rents as follows:

Stalls	\$53,927
Basements, without sidewalk privileges	21,029
Total	<hr/> \$74,956

which is 4.9 per cent. of the assessed valuation of the land.

These comparisons, however, in a good many cases, are based on the returns from the cellars and first floors as they actually exist in the older type of the buildings on North Market and South Market streets, the street floors being entered either on the sidewalk level or one step above it, so that the cellars are practically below the sidewalk level and the stores are very low studded, in most cases probably not exceeding nine feet in height.

On the other hand, the first floor of the market is about 2½ feet above the sidewalk level, and the cellars have a correspondingly added height, while the ceiling of the market stalls is nearly 14 feet in height, offering additional space which is very generally occupied either for office or storage purposes. In addition to this, we think the location of the stalls in the market is a much better one than the location on North Market and South Market streets, and, further, it must be remembered that in the case of both basements and stalls the depth is much less than in the stores on North Market and South Market streets, which is a very important reason for a much larger rental. For these reasons, it would seem that both the cellars and stalls in the market have a rental value materially in excess of the rental value of similar spaces in outside buildings, with which the comparisons are made.

Mr. McKay, Superintendent of Markets, reports that 33 out of the 44 cellars have spaces under the sidewalk, 6 of them have about 300 feet each, 3 of them about 100 feet each, and the others from 113 to 250 feet each, mostly under 200 feet, making a total of about 6,700 feet. These excavations were made at the expense of the lessees and no rental has ever been charged for them. In view of the fact that these side-

walks are within the market district and that definite rights in them can be conveyed by the city, so that the tenant can have the same tenure as in the cellar itself, it would seem proper that a rental should be paid for this space also.

It seems to us that a fair increase would be as follows:

Twelve and one-half per cent. for basements, making the rental about \$1.07 a foot, which compares with the rental of from 80 cents to \$1 per foot for basements on North Market and South Market streets, the cellars on these streets being respectively 60 and 50 feet deep, while the cellars in the long market are about 25 feet deep. To this we think should be added a charge of 50 cents per foot for the space under the sidewalks.

Twelve and one-half per cent. for the stalls, in view of the better location, greater stud, and more depth as compared with the North Market and South Market street stores. The rental would then figure as follows:

Stalls with 12½ per cent. increase	\$60,668
Cellars, 12½ per cent. increase	28,655
6,700 feet under sidewalk at 50 cents	3,350

Total	\$87,673
-----------------	----------

which is 5.7 per cent. of assessed valuation of land, which compares with returns shown above on page 10, namely, 5.6 per cent. on North Market street, 5.1 per cent. on South Market street, 4.3 on Faneuil Hall square and Dock square, 5.6 on Blackstone street.

In this connection we would say that, especially on North Market and South Market streets, and in the case of Faneuil Hall Market, we think the assessments of the land show the relative differences in value. A recent sale on South Market street was at a price below the assessed valuation.

In regard to charge for sidewalk privileges, we find that for the use of the sidewalk solely the charge is about \$3 a foot if the space occupied is 2 feet deep; \$1.50 if 4 feet deep; and \$1 a foot if 6 feet deep. These are roughly the same as charged by the Street Commissioners for space in the market section (see list at end of report) and we therefore would not advise changing them.

For use of space in the street, charges are as follows :

On North Market street, space 5 feet deep . . .	\$1.00 a foot
If covered	2.25 "
On South Market street, space 8 feet deep . . .	.67 "
If covered	1.40 "

These charges seem to us fair and we would not recommend any change.

The method of basing the charge for sidewalk privileges upon the area of the cellar seems unusual, but as the cellars are all of the same depth the result is the same as if the tenant were charged per square foot of sidewalk occupied, so we do not recommend changing the method.

For the outside stalls, five in number, we would leave the rentals as at present.

"New Faneuil Hall," so-called, covers an area of 8,460 square feet of land, and the areas and rentals are as follows :

Cellars,* 6,417 feet, rent for . . .	\$5,942 25
Stalls, 5,013 feet, " . . .	15,196 00
Total	<u>\$21,138 25</u>

which is \$2.50 per foot of the entire area, which compares with \$2.74 per foot in the large market. The cellars rent for the same sum per foot as in the long market, and the stalls rent for \$3.00 per foot as compared with \$3.62 per foot in the long market. It has been generally agreed that the stalls in this market have less value than those in the large market, and this ratio between those rentals, as paid in the last six years, is a fair one, so that whatever increase may be made in the rentals in the large market the same increase should also be made in the little market.

The cellars, we think, are better located for business, but owing to greater depth the rental is larger than those in the long market, which would seem to make the relative charges fair. The cellars are now rented at approximately 95 cents per foot, an additional payment being made for sidewalk privileges. The total rental of cellars is \$5,942.25, and of the sidewalk privileges \$2,224.85.

* Not including sidewalk privileges.

The returns on New Faneuil Hall Market would be

Cellars, not including sidewalk privileges,	\$6,684 78
Stalls	17,095 50
Total	<u>\$23,780 28</u>

If the increases as recommended are adopted, the income to the city will be increased as follows:

Faneuil Hall Market.

Stalls	\$6,741 00
Basements	2,626 00
Space under sidewalk	3,350 00
	<u>\$12,717 00</u>

New Faneuil Hall Market.

Stalls	\$1,899 50
Cellars	742 53
Total	<u>\$2,642 03</u>

If the rentals be increased as recommended, Faneuil Hall Market would show a return as follows:

Stalls and cellars	\$87,673 00
Sidewalk privileges	10,246 00
Ames Plow Co.	5,000 00
Other tenants, second floor	2,275 00
	<u>\$105,194 00</u>
Expense of Superintendent of Markets	8,700 00
	<u>\$96,494 00</u>
Taxes on land and buildings	29,166 00
	<u>\$67,328 00</u>

which is 3.6 per cent. on assessed value, or, if the building be figured as \$150,000 — which seems fairer than its present valuation of \$300,000 — about 4 per cent.

In view of the fact that the market buildings are so constructed that no income is available above second floor, the above percentage of return seems to us fully as much as can reasonably be expected.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL RELATING TO THE MONEY RECEIVED FROM THE COMMONWEALTH UNDER CHAPTER 373 OF THE ACTS OF 1908 FOR ARMORIES.

Boston, July 8, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — The attention of the Finance Commission has been called to the following order which passed the Board of Aldermen July 6, 1908:

Ordered, That the amount received from the Commonwealth of Massachusetts (\$182,203.29) on account of Armories be, and the same hereby is, appropriated for Street Improvements, to be expended by the Superintendent of Streets for improving the following-named streets :

A street; Eliot and Kneeland streets; Court street, Tremont street to Sudbury street; Sudbury street, Merrimac street to Court street; Boylston street, Washington street to Tremont street; Albany street, Kneeland street to railroad bridge; West street (wood blocks); Winter street; Summer street, Washington street to Hawley street, Church street, Providence street; South Market street, Commercial street to Atlantic avenue; and Haverhill street, Washington street to Causeway street.

The money in question has been paid to the city under chapter 373 of the Acts of 1908, which provides as follows :

A sum not exceeding four hundred and seventeen thousand dollars is hereby appropriated, to be paid out of the treasury of the commonwealth from the ordinary revenue, to certain cities in which armories of the first class have been acquired by the commonwealth under authority of chapter five hundred and twenty-six of the acts of the year nineteen hundred and seven, being the amount of sinking fund requirements paid by such cities together with the accumulations of said amounts, less the amounts heretofore paid by the commonwealth to said cities as rental.

The share of the City of Boston in the moneys to be refunded under this act amounted to \$182,203.29 and repre-

sented contributions from time to time out of taxes and miscellaneous revenue. It did not represent money raised by a city loan, and there is no sinking fund to which it should be applied. It seems proper, therefore, to use the money for purposes which would otherwise have to be met from taxation.

In determining, however, the particular purpose to which this money should be devoted, it should be remembered that the \$417,000, of which this \$182,203.29 is a part, is to be raised, under the act quoted, as a part of the general State tax for the current year, and that the City of Boston will pay, roughly speaking, 36 per cent. of this tax. In other words, the city will have to refund as a part of its share in this year's State tax 36 per cent. of \$417,000, or approximately \$150,000.

Inasmuch as the appropriations so far voted by the City Council for the current year do not exhaust the tax limit of \$10.55 allowed for general municipal expenditures, it might seem a matter of indifference whether this sum of \$150,000 is appropriated for street repairs or used to meet the State tax and an equivalent sum added to the general appropriations for the year. There is, however, this difference, that if the \$150,000 is used for street repairs and the whole amount available under the tax limit is then voted for current expenses, the total city tax rate will be about 12 cents higher than if the \$150,000 is used to meet the State tax. This money should be used to meet the State tax, for the city would not have received it if the State tax had not this year been increased for the very purpose of paying it.

The Finance Commission therefore believes that \$150,000 out of the \$182,203.29 should be applied towards the payment of this year's State tax instead of being used as provided in the order of the Board of Aldermen, and that \$32,203.29 be used to meet the current expenses of the city, such as street repairs.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO CERTAIN RECOM-
MENDATIONS RESPECTING REDUCTIONS IN
THE SALARIES AND NUMBER OF HEADS
OF DEPARTMENTS.

BOSTON, July 9, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN,— Under date of October 24, 1907, and February 29, 1908, the Finance Commission made certain recommendations respecting reductions in the number of heads of departments and other executive offices and in the salaries paid. If these recommendations had been followed there would have been an annual saving to the city of \$56,280, as shown by the following list:

RECOMMENDATIONS.		Saving if Recom- mendations were Followed.
1. Assessing Department :		
Reduction of number of Principal Assessors from nine to five and salaries from \$4,000 to \$3,500 with \$500 extra for Chairman and \$200 extra for the Secretary.		
\$4,000 x 9 + \$500 + \$200	\$36,700	
\$3,500 x 5 + \$500 + \$200	18,200	\$18,500
2. Cemetery Department :		
Reduction of salary of Superintendent from \$4,000 to \$3,000	\$4,000 3,000	
		1,000
3. Clerk of Committees :		
Abolition		4,000
4. Clerk of Common Council :		
Abolition		3,500
5. City Messenger:		
Reduction from \$4,000 to \$2,500.....	\$4,000 2,500	1,500
6. Public Grounds Department:		
Abolition		4,000
Carried forward		\$32,500

RECOMMENDATIONS.		Saving if Recommendations were Followed.
<i>Brought forward</i>		\$32,500
7. <i>Soldiers' Relief Commissioner:</i> Reduction from \$3,500 to \$3,000.....	\$3,500 3,000	500
8. <i>Treasury Department:</i> Reduction from \$8,280 to \$6,000.....	\$8,280 6,000	2,280
9. <i>Water Department:</i> Abolition of offices of three Assistant Water Commissioners.....		9,000
10. <i>Weights and Measures Department:</i> Reduction of Sealer from \$3,000 to \$2,500.....	\$3,000 2,500	500
Reduction of ten Sealers to \$1,200.....	\$16,000 12,000	4,000
11. <i>Wire Department:</i> Abolition.....		5,000
12. <i>Collecting Department:</i> Reduction of Collector to \$5,000.....	\$7,500 5,000	2,500
Total reductions.....		\$66,280

The Commission is informed that action has been taken on the foregoing recommendations only in the cases and to the extent herein noted, viz.:

1. *Assessing Department.*— The number of assessors has not been reduced by ordinance as recommended, but there are at present two vacancies which have not been filled.

12. *Collecting Department.*— The salary of the Collector has been reduced by ordinance, as recommended, from \$7,500 to \$5,000.

8. *Treasury Department.*— The net salary of the City Treasurer has been reduced from \$8,280 to \$6,780, which is \$780 more than the sum recommended by the Commission.

9. *Water Department.*— There is at present only one Assistant Water Commissioner.

11. *Wire Department.*— This department has not been abolished, but the office of Chief Inspector and

Electrician, to which a salary of \$2,600 was attached, made vacant by the recent promotion of its incumbent, has not been filled.

If refraining from filling vacancies in the number of principal assessors and assistant water commissioners were equivalent to the abolition of these offices, the total saving would be \$20,600 per annum; but it is open to the Mayor to fill the vacancies referred to at any time, and the permanent saving thus far accomplished by ordinance must be regarded as only \$4,000 per annum instead of \$56,280 as recommended by the Commission.

Of the recommendations upon which the city government has not yet acted, some require action by the executive departments alone, namely :

The salary of the Superintendent of Cemeteries.

The office of Assistant Water Commissioner.

The salary of the City Treasurer in connection with the Teachers' Retirement Fund.

Others require action by the City Council, namely :

The principal assessors.

Clerk of Committees.

Clerk of the Common Council.

City Messenger.

Superintendent of Public Grounds.

Soldiers' Relief Commissioner.

Sealer of Weights and Measures.

Wire Commissioner, whose salary may be fixed by ordinance, although the consolidation of the department itself with that of the Building Department requires legislative action.

The Mayor has made the following recommendations, none of which have been favorably acted on by the City Council :

Reduction of the salary of the Clerk of Committees from \$4,000 to \$3,000. The Commission recommended the abolition of this office.

Reduction of the salary of the Commissioner of Soldiers' Relief from \$3,500 to \$3,000, as recommended by the Commission.

Reduction of the salary of the Superintendent of Public Grounds from \$4,000 to \$3,000. The Commission recommended the consolidation of this department with the Park Department.

Reduction of the salary of the Sealer of Weights and Measures from \$3,000 to \$2,500, and of the salaries of the deputy sealers from \$1,600 to \$1,200, as recommended by the Commission.

The Commission renews its recommendations, all and singular, that the reductions in number and salaries suggested in its reports of October 24, 1907, and February 29, 1908, be made at once and permanently, so far as the Mayor and City Council can legally accomplish this result. The observation which the Commission has given to the departments in question during the time which has elapsed since these reports were submitted has confirmed the Commission in the soundness of these recommendations. As previously reported, one of the main evils from which the government of the City of Boston is now suffering is the unnecessary number of employees in all grades of the municipal service, and the excessive salaries paid. No real reform in municipal conditions is to be expected until this evil is corrected, and in the opinion of the Commission the way to begin the reform is with the heads of departments and the other high executive offices where these are found to be too numerous or the salaries excessive.

While the Commission is fully conscious that differences of opinion may legitimately exist as to the exact amount proper to be paid to the officers in question, it regrets that out of the economies recommended, aggregating \$56,280 per annum, the city government has so far seen fit to adopt in permanent form only two of these recommendations, representing \$4,000 per annum in reduced salaries.

If it is the desire of the city government to effect the economies recommended, the legislature of 1909 should be asked

to repeal the law permitting the Mayor to appoint three assistant water commissioners, to repeal the law authorizing the election of a clerk of the Common Council, and to enact a law which will permit the consolidation of the Wire department with some other department. In the meantime the vacancies now existing should not be filled, but the services of the remaining assistant water commissioner and of the clerk of the Common Council should be dispensed with, and the Mayor, City Council and School Committee should at once proceed to carry out the rest of the reforms suggested. It is within the power of the present city government, while awaiting action by the legislature of 1909, to effect a further reduction of \$35,680 in the salaries with which this communication is concerned; and the Commission believes that the necessary action to effect these reductions should be taken at once.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING
TO THE METHODS OF PAYING CITY BILLS
AND EMPLOYEES.

Boston, July 10, 1908.

HONORABLE GEORGE A. HIBBARD, *Mayor*,
City Hall, Boston, Mass. :

SIR, — The Finance Commission believes that the method of disbursing money from the City Treasury is cumbersome, antiquated and unsuited to the volume and nature of the business done.

Persons having bills to collect from the city must present themselves at the City Auditor's office and there be identified and receipt their bills. They are then given an identification slip or order which they must take to the office of the City Treasurer. In that office the amount due them is ascertained and checked off on a draft which has previously been sent in by the City Auditor, another receipt for the amount due is prepared and signed, and finally, if the amount is more than \$400, a check is made out and taken to the City Treasurer for his signature. If the amount is less than \$400, payment is made in cash.

This process is used for the payment of about 3,500 items each month on the Mayor's general draft, of about 150 special drafts, and of practically all sums due except interest on the debt and the salaries and wages of employees. On busy days creditors frequently stand in line more than an hour waiting for payment.

There are more than 5,000 city employees who receive their pay monthly, and who either call at the City Treasurer's office or have their salaries brought to them in cash by a paymaster.

No salaries are paid by check, and no checks are mailed from the City Treasury except for the payment of interest due registered bondholders.

The Commission would also call attention to the fact that monthly salaries are, in most cases, paid before they are due. Salaries due the first day of each month are paid in some instances as early as the 10th or 15th of the previous month. On the other hand, laborers and all those whose names are on the weekly pay-rolls are compelled to wait for several days after their wages have been earned before they receive their money. The Commission sees no satisfactory reason for this apparent discrimination in favor of those who receive the larger compensation, or for paying any class of employees in advance.

The Commission suggests that the City Treasurer and the City Auditor be directed to prepare a plan for the reorganization of the work of their departments which shall provide:

1. For the payment of bills against the city by check (voucher check or otherwise), these checks to be sent to the creditors of the city by mail.
2. For the payment of all monthly salaries by check, sent by mail on the first day of each month, but not before.

Before such a plan can be put into operation it is probable that the ordinances relating to the Auditing and Treasury Departments will have to be modified, and the Auditor and Treasurer should be instructed to prepare such modifications with the assistance of the Corporation Counsel.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE SALARIES OF
THE CLERICAL FORCE IN THE VARIOUS
DEPARTMENTS.

Boston, July 11, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — Under date of February 29, 1908, and again on July 9, 1908, the Finance Commission submitted certain suggestions concerning a reduction in the number of heads of departments, and in the salaries attached to these offices. It now presents certain facts concerning what may be termed the clerical force, including bookkeepers, clerks, tellers, cashiers, stenographers, etc.

The Commission has had the benefit of a series of elaborate reports by expert accountants on the administrative expenses of some of the larger departments, on the salaries paid by private employers and by the state and federal governments in this city for similar services, on the advisability of grading or classifying the clerks in the different departments, and on other related matters. The Commission has also, through its own members, made a personal investigation into many of the departments, employees and salaries in question. This report is intended to direct the attention of the city government in a general way to the excessive number of clerks now employed by the city and to the excessive salaries paid in this branch of the municipal service. It is the hope of the Commission to be able to report separately and in detail upon the pay-roll of each of the larger departments; and the object of the present communication is to direct attention generally to the waste of public money for unnecessary or over paid employees rated as clerks, bookkeepers, etc.

1. Comparison between the salaries paid by the City of Boston and those paid by other large employers in this vicinity.

The Commission has made a careful study of this aspect of the question, and finds that the salaries paid by the City of Boston for clerical work are far in excess of the salaries paid in this community by private or by other public employers.

Little reliance can be placed on the salaries paid by the neighboring cities and towns. The figures are so much below those paid by the City of Boston, the state or the federal government as to imply wholly different conditions of employment.

A closer analogy is to be found in the larger commercial establishments in this city, the salaries paid by which are far less than those paid by the city.

Still more in point are the salaries paid for similar services in the United States Post Office, Sub-Treasury and Custom House in this city. The salaries paid in these three departments of the federal service are much less than those paid by the City of Boston.

The closest and most valuable comparison, in the opinion of the Commission, is with the salaries paid at the State House, where the kind of work and conditions of employment generally are similar to those which affect the hiring of clerical work for the City of Boston. The Commission has, therefore, made a special effort to secure an accurate comparison of the salaries paid by the city and by the Commonwealth for similar work in this branch of the public service. Besides the data collected by the accountants, an independent investigation has been made by the Commission, based on the State Auditor's report for 1905,* and the list of city employees for May 1, 1907. The number of persons excluding heads of departments, deputies, secretaries, etc., and including merely cashiers, tellers, bookkeepers, clerks, stenographers, etc., employed by the Commonwealth and the city respectively at salaries of \$1,000 and over per annum, are shown in the following table:

* This was the latest available report covering a full year. The State Auditor says there is no substantial difference between the figures for 1907 and 1905.

AMOUNT OF SALARY.	THE COMMONWEALTH.		THE CITY OF BOSTON.	
	Number of Employees.	Total Amount Paid.	Number of Employees.	Total Amount Paid.
\$1,000	24	\$24,000	42	\$42,000
\$1,100	1	1,100	10	11,000
\$1,200	21	24,200	33	39,600
\$2,250	1	1,250	—	—
\$1,300	4	5,200	12	15,600
\$1,350	1	1,350	2	2,700
\$1,400	4	5,600	18	25,200
\$1,500	15	22,500	13	19,500
\$1,600	5	8,000	18	28,800
\$1,650	1	1,650	1	1,650
\$1,700 .....	.....	.....	13	22,100
\$1,750	1	1,750	—	—
\$1,800	7	12,600	44	79,200
\$1,900 .....	.....	.....	4	7,600
\$1,920 .....	.....	.....	1	1,920
\$2,000	10	20,000	13	26,000
\$2,100	2	4,200	1	2,100
\$2,200	5	11,000	7	15,400
\$2,250 .....	.....	.....	2	4,500
\$2,300 .....	.....	.....	3	6,900
\$2,400 .....	.....	.....	3	7,200
\$2,500	3	7,500	16	40,000
\$2,600	1	2,600	3	7,800
\$2,700	1	2,700	4	10,800
\$2,800 .....	.....	.....	1	2,800
\$3,000 .....	.....	.....	8	24,000
\$3,600 .....	.....	.....	2	7,200
\$3,780 .....	.....	.....	2	7,560
\$4,200 .....	.....	.....	1	4,200
	107	\$158,200	277	\$463,330

This table shows that the city employs about two and one-half times as many clerks, and pays in the aggregate nearly three times as much as the Commonwealth does. The difference in the salaries is even more significant than the differ-

ence in numbers, as appears by the following table, showing the total number of employees receiving over \$1,500:

	State.	City.
Receiving over \$1,500 and not over \$2,000 . . .	24	94
“ “ \$2,000 and not over \$2,700 . . .	12	39
“ “ \$2,700	0	14
Receiving over \$1,500	36	147

While an exact comparison between the amount of work carried on by the city and the state has not been attempted, it is obvious that the city work is not four times as much as that performed by the state, that the city work is no more difficult than the state work, and that it is impossible to justify the higher salaries paid by the city.

2. *Increase in the Cost of Clerical Work since 1895.* — Having ascertained that the clerical force of the city is paid much more, besides being much more numerous, than can be justified by the cost of similar work in either private or public employment in this community, the Commission endeavored to ascertain whether the present excessive expense for clerical service was something new, the growth of recent years; and, if so, whether the increase could be justified by the increase in the amount of work required and done.

The probability is that there have been too many clerks, and that they have been paid too much, at all times during the past thirty years; but the evil has been aggravated in recent years. Taking, as in former reports, the year 1895 as a basis for comparison, the increase in the cost of the city's clerical service has been far in excess of any conceivable increase in work.

The number of employees on May 1, 1895, who received a weekly, monthly or annual salary, was 5,187; while the number on May 1, 1907, was 7,985. These figures include the County Institutions, but exclude the other county offices,

and indicate an increase in twelve years of 54 per cent. in the number of salaried employees as distinguished from day laborers.

Excluding, for the sake of getting closer to the clerical force, the Fire, Police and School Departments, the figures are 1,758 for 1895, and 3,099 for 1907, an increase of 1,341, or 76 per cent. The increase in the total amount paid to salaried employees, exclusive of the Fire, Police and School Departments, was \$925,763, or 54 per cent.

These figures include not only the clerical service, but the engineers, foremen and other employees charged with the administrative work of the departments. The figures for the Assessing, Auditing, City Clerk, Collecting, Treasury and Registry Departments, and the Mayor's office — practically all the employees of which are in the clerical service — indicate that the number of employees of this class increased from 183 in 1895 to 238 in 1907, or 78 per cent.

The inference from these comparisons is inevitable that there has been an increase in the cost of the clerical work of the City of Boston of about 75 per cent. in twelve years.

Such an increase cannot be justified by the increase in work. The increase in population during this period has been only 22½ per cent., and the best judgment that the Commission can form is that in none of the departments chiefly dependent upon clerical labor has the increase in work been over 25 per cent. In many of them the increase has been much less, and in some there is actually less work to do than there was in 1895.

A maximum increase in work for any department of 25 per cent. cannot justify an average increase in the clerical cost of all the departments of 75 per cent., and the conclusion, from these figures confirms that based on other data, that the city has altogether too many clerks in its employ, and that their salaries are excessive.

3. *The Civil Service.* — Most of the employees in the clerical force of the city are within the classified service of the Civil Service Commission; but this fact has not prevented extravagance and waste in this branch of the public service. There is continual pressure from political sources

upon the heads of departments to increase the number of clerks, even though the new men must be drawn from the Civil Service lists. The men who find themselves as a result of the public examinations near the head of the list can readily secure political support for the creation of new offices to which they would be eligible; and besides this there is, under the rules of the Board, considerable latitude allowed in selecting from the names sent down. In addition to this the employees in the service are continually soliciting political influence to secure an increase in pay. The heads of departments are under constant pressure from politicians, both within and without the city government, to increase the number of clerks, and to raise the salaries of those already employed; and the result has been a gradual expansion of the pay-rolls regardless of the amount of work to be done, the appropriations for the year, or the ultimate loss to the public.

The remedy, in the opinion of the Commission, is to put the selection or approval of the heads of departments under the control of the Civil Service Commission, and thus to secure more competent men, greater permanency of tenure and more freedom from political pressure.

CONCLUSION.

It is very clear that there should be a reduction both in number of employees and in salaries so that the total cost to the city for clerical expense may bear a more reasonable relation to the amount of clerical work and its fair value to the city.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE EXPENDI-
TURES OF THE TREASURY DEPARTMENT.

Boston, July 13, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — The Finance Commission has investigated the expenditures of the Treasury Department and submits the following report relating to the number and salaries of the persons employed therein.

This department is in charge of the City Treasurer, who receives a salary of \$6,000, fixed by ordinance, and additional compensation, as noted in the report of the Commission of July 9, 1908. For reasons already set forth the Commission is of the opinion that \$6,000 is an ample salary for all the duties now performed by the City Treasurer, as such, and for the County, Sinking Fund and School Teachers' Retirement Fund, and renews its recommendation that the total salary paid to the City Treasurer be reduced to the sum of \$6,000 per annum net.

The cashier and teller receive \$4,000 and \$3,000 respectively, plus, in the case of the cashier, \$200 per annum charged to the county. These salaries are considerably higher than those paid to the persons holding similar positions at the State House, the Custom House, the Sub-Treasury and the Post Office, and are, in the opinion of the Commission, more than should be allowed by the City of Boston.

There are thirteen employees rated as paymasters, book-keepers and clerks, receiving salaries varying from \$1,000 to \$3,000 and averaging \$2,133. One of these employees also receives \$800 from the Sinking Fund Commissioners and \$100 from the county; another receives \$400 from the county, and a third \$100 from the county. This scale of remuneration is far larger than that obtaining in the state or federal service. These salaries should be reduced, and in the

opinion of the Commission the services of at least two of the clerks could be dispensed with without injury to the efficiency of the department.

A messenger is also employed at \$720 per annum.

After a study of the work done by this department, and taking into account the length of service of the several employees, the Commission recommends that the department pay-roll be readjusted as follows :

POSITION.	Present Number and Salaries.	Number and Salaries Recommended by the Commission.	Saving.
Treasurer.....	1 \$6,000	1 \$6,000	—
Cashier and Assistant Treasurer.....	1 4,000	1 3,500	\$500
Teller	1 3,000	1 2,700	300
Head bookkeeper.....	1 2,100	1 2,500	(+400)*
Paymasters	8 8,100	8 7,200	900
Draft and trustee clerk.....	2 5,000	2 4,400	600
Bond and interest clerk.....	1 2,500	1 2,300	200
Assistant bookkeeper.....	1 2,200	1 2,000	200
General clerk.....	1 1,500	1 1,500	—
Messenger.....	2 2,600	2 2,700	1 620
Other employees.....	1 720	—	2 3,800
Total	17 \$41,520	14 \$34,700	8 \$6,820

The Commission recommends an immediate reform of the department pay-roll, so as to accomplish the aggregate reduction in number and salaries recommended in the foregoing table. It does not intend to recommend the discharge of any particular clerk as distinguished from another. It will be sufficient, for instance, if the City Treasurer substitutes for the last six officers on the present list any three of them at the salaries suggested.

The Commission finds that in this department, as in others, not only are the salaries paid excessive, but that the practice obtains of paying new clerks at the outset of their employment by the city almost as much as they would be entitled to receive after years of diligent service. This practice

* This is not a real increase. The head bookkeeper now receives \$2,100 from the Treasury Department, \$800 from the Sinking Fund Department and \$100 from the County, or \$3,000 in all. The Commission recommends a single salary paid by the Treasury Department of \$2,500—a reduction of \$500.

should be stopped, and such new clerks as it may be necessary to employ from time to time to fill vacancies as they occur should receive at the outset, and for several years, salaries considerably less than those recommended by the Commission in the foregoing schedule. The Commission believes that a competent City Treasurer, free from political interference, can engage young men at salaries not exceeding at the outset \$700 to \$900 a year, and can ultimately reduce the cost of this department to \$40,000 per annum without in the least impairing the efficiency of the service. Such employees would, of course, have to be convinced that their retention and promotion are to depend entirely upon their merits, as in mercantile establishments of the best class, and they should also be assured that eventually the treasurer will be chosen from among them.

The Commission also recommends that the payments aggregating \$3,100 now made to the employees of this department by the county and Sinking Fund Commissioners be stopped; and that the salary of the County Paymaster, charged to the county, be reduced from \$3,600 to \$2,700.

The expenditures of the Treasury Department for 1907-08 were \$50,812.29, and the appropriation for the current year is \$50,000. If the economies herein recommended are carried out, an appropriation for this department of \$43,000 will be ample; and the total saving to the city, including the salaries now paid by the county, School Committee and Sinking Fund Commissioners will be \$11,500 per annum.

If the recommendations herein made are immediately adopted by the City Treasurer, one-half of the annual saving will be realized during the present year, and the expenditures for the year ought, therefore, not to exceed \$46,500. The appropriation for the Treasury Department for the year 1909-10 should not exceed \$43,000.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND THE CITY COUNCIL RELATING TO THE CITY CLERK DEPARTMENT.

Boston, July 14, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN,—The City Clerk Department is in charge of the City Clerk, who is elected by concurrent vote of both branches of the City Council, and receives a salary fixed by ordinance. He has charge of the records of the City Council, of the printing of the ordinances, and of some other matters affecting the conduct of the city business. He is also required by law to record chattel mortgages, assignments of wages, liens on vessels, and certain other papers. Prior to 1895 the City Clerk also had charge of the elections.

The expenditures of the department during the past fourteen fiscal years are shown in the following table; the figures for the first two years being exclusive of the election expenses, and those for 1895-96 being exclusive of the sum paid to the widow of a former employee under a special act of the Legislature :

YEAR.	Salaries of City Clerk and Assistant City Clerk.	Clerk hire and Messengers.	Miscellaneous Expenses.	Totals.
1894-95.....	\$8,800 00	\$24,848 61	\$7,362 19	\$41,010 80
1895-96.....	8,800 00	27,663 33	4,340 91	40,804 24
1896-97.....	8,800 00	31,156 40	7,731 59	47,687 99
1897-98.....	8,800 00	34,731 77	5,869 31	49,401 08
1898-99.....	8,800 00	36,818 49	5,908 16	51,616 65
1899-1900.....	7,756 25	34,911 14	4,280 88	46,928 27
1900-01.....	8,842 22	35,042 34	3,007 09	46,891 65
1901-02.....	8,800 00	36,948 14	4,697 21	50,445 35
1902-03.....	8,800 00	37,371 98	5,464 40	52,236 36
1903-04.....	8,800 00	38,450 72	8,143 94	55,394 66
1904-05.....	8,800 00	38,118 00	7,234 04	54,152 04
1905-06.....	8,800 00	38,203 20	5,086 53	52,089 73
1906-07.....	8,800 00	36,802 94	7,189 03	52,791 97
1907-08.....	8,800 00	37,166 41	5,187 67	51,154 08

The accounts of the department are badly kept, and there is no way to ascertain the cost of recording the mortgages and other papers required by law to be recorded. A system should be introduced by which it is possible to ascertain the cost of recording the papers, and this cost should be set forth in the annual reports of the department.

At the commencement of the present year the department force consisted of an Assistant City Clerk and of thirty other employees variously designated as clerks, bookkeepers, messengers, etc.

The office of City Clerk has been largely a political one, and the real work of the department has for many years fallen on the Assistant City Clerk, whose salary was accordingly established by an ordinance, passed in 1889, at \$3,800. This salary is entirely disproportionate to the duties of the position under normal conditions; and as the special reason for fixing it at \$3,800 has disappeared, the Commission believes that the salary should be reduced to \$3,000, which is \$500 more than the present incumbent of the office received before his transfer from the office of Clerk of Committees.

The expense of the department for clerical service has increased in recent years far beyond any possible increase in the amount of work. Between 1894-95 and 1906-07, a period of twelve years, the number of employees increased by 36 per cent. and the total expense for clerical work increased 48 per cent. There has been no such increase in the amount of work. Too many clerks are now employed in the department, and their salaries are much more than those paid at the State House, in the Federal service, or in private employment. The increase in number and salaries has been largely for political purposes; and there seems to be no excuse for the four weeks' vacation allowed in this department when a vacation of only two weeks is allowed in other departments of the city government. The vacation period should be reduced to two weeks.

An additional source of expense to the city is the entirely unjustifiable practice of paying the clerks at the commencement of their employment by the department as much as they could expect to earn after years of faithful service.

The Commission has made an investigation of the work done by the clerks in this department, and has conferred with the present City Clerk respecting possible reductions in the number and salaries of his employees.

Male Clerks. — At the beginning of the year there were eight male clerks receiving in the aggregate \$14,100 per annum. At the present time there are six clerks whose aggregate salaries amount to \$10,900. This is a saving of two in number, and of \$3,200 in amount. The Commission is of the opinion, however, that five male clerks are sufficient for this department, including one at \$1,200, three at \$1,500 each, and one chief clerk at \$2,000. On this basis the salary list for this branch of the department would be \$7,700, or \$3,200 less than the present pay-roll.

When vacancies arise and are filled by the selection of new clerks their salary should not at first exceed \$780 (or \$15 per week) instead of the excessive sums now paid, and vacancies in the higher grades should be filled invariably by promotion after civil service examination.

Women Clerks. — At the beginning of the year there were eighteen women in the department, and their aggregate salaries amounted to \$17,307. Five received less than \$800 each, eight received \$1,000 each, three \$1,100 each, and two \$1,200 each. These salaries, to the extent that they exceed \$1,000, are excessive; but the five women receiving them have been in the department from sixteen to thirty-four years, and, under the circumstances, the Commission does not advise a reduction in their salaries. The number of women clerks, however, is excessive, and the Commission was of the opinion that two of those receiving \$1,000 should be dispensed with. The present City Clerk has discharged one of these unnecessary clerks, and has reduced the salary of one of those receiving \$1,200 to \$1,100.

The Commission is of the opinion that the force of women clerks is still too numerous, by one at least.

New appointees in this branch of the force should receive \$12 per week, or \$624 per annum, at the start, with an annual increase of \$52 per annum until a maximum salary of \$20 per week or \$1,040 per annum is reached.

Messengers.— There were four employees of the department rated as “messengers,” receiving in the aggregate \$5,100 per annum. The compensation is excessive and the number unnecessary. The Commission believes that the services of at least one of these messengers should be dispensed with, and that the aggregate compensation of the remaining three should not exceed \$3,000. The present City Clerk informed the Commission in February of this year that the force of “messengers” should be diminished by one and that the salaries of the remainder should be reduced, so that a total saving of \$1,500 could be effected in the salaries paid the “messengers” of this department. As a matter of fact, however, he has discharged none of these men, but is paying them — in the aggregate — \$500 less than before.

A summary of the present salary list, with the reductions recommended, is as follows:

	AT THE BEGINNING OF THE YEAR.		AT THE PRESENT TIME.		RECOMMENDATIONS OF THE FINANCE COMMISSION.	
	Number.	Salary.	Number.	Salary.	Number.	Salary.
City Clerk.....	1	\$5,000	1	\$5,000	1	\$5,000
Assistant City Clerk.....	1	3,800	1	3,500	1	3,000
Male clerks.....	8	14,100	6	10,900	5	7,700
Women clerks.....	18	17,307	17	16,207	16	15,307
Messengers.....	4	5,100	4	4,600	3	3,000
Total.....	32	\$45,307	29	\$40,507	26	\$34,007

It will be seen that as against the reductions recommended by the Commission, aggregating \$11,300 per annum, the present City Clerk has effected a reduction of only \$4,800 in the expenses of this department for clerical salaries. The Commission recommends that further reductions be immediately made both in number and in salaries, as indicated herein, so that the total pay-roll of the department may not exceed \$34,000 per annum.

Economies can also be effected in the miscellaneous expenditures of the department. The outside messenger service has been too costly by at least \$350 per annum. The cost of telephone service has been reduced by eliminating the telephone in the house of the Assistant City Clerk. It might be still further reduced by substituting at the residence of the City Clerk a five hundred call service for the present unlimited service. Other economies can probably be effected in the matter of stationery and supplies.

As the total expenditures of the department for the fiscal year 1907-08 were \$51,154.08, the saving recommended in the salary list of \$11,300 will reduce the necessary expenditures of the department to \$39,854 per annum; and from this sum there should be a further reduction of some \$600 by reason of the economies suggested in outside messenger service, telephone service, etc.

The appropriation for the department in 1908-09 was \$54,000.

The Commission believes that it is easily possible to conduct the City Clerk Department efficiently upon an annual appropriation of \$40,000, and it recommends that the salary list be immediately reconstructed upon this basis. As practically six months of the current fiscal year have already elapsed, the expenditure for this year may well amount to \$42,500; but they should not exceed that figure, and the appropriation for 1909-10 should not exceed \$40,000.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR RELATING
TO THE USE OF NORTHERN AVENUE
BRIDGE BY THE UNION FREIGHT COM-
PANY.

Boston, July 14, 1908.

HON. GEORGE A. HIBBARD, *Mayor* :

SIR, — On the sixth day of July, 1908, the Board of Aldermen passed the following order, which is now before Your Honor for approval :

Ordered, That in addition to the rights heretofore granted to the Union Freight Railroad Company for locations for tracks in the streets of the City of Boston, said Company shall have the right to construct, maintain, and use a track beginning at a point in Atlantic avenue about seventy-five feet northerly from the northerly line of Northern avenue extended, thence running by a suitable curve in Atlantic avenue and Northern avenue to a point in the centre of Northern avenue, and thence along the centre of Northern avenue to a connection with a track of the New York, New Haven and Hartford Railroad Company, at a point on the easterly side of Fort Point channel where Northern avenue enters upon lands formerly of said New York, New Haven and Hartford Company and its lessor the New England Railroad Company ; said tracks being shown by lines on a plan dated September 5, 1907, and deposited in the office of the Superintendent of Streets.

The right to lay down the tracks located by this order is upon condition that the whole work of laying the same, the form of rail to be used, and the kind and quality of material used in paving said tracks, and the kind and location of poles, shall be under the direction and to the satisfaction of the Superintendent of Streets, and shall be approved by him. Also upon condition that said railway company shall accept this order, and shall file such acceptance with the City Clerk in accordance with the provisions of Statute law, otherwise it shall be null and void.

The whole work authorized to be done under the provisions of this order shall be completed within one year from the date of the passage of this order.

There is no power in the Board of Aldermen to annex to this grant a time limit or to require compensation for the use of the highway, and consequently if the order receives Your Honor's approval it will give rights in the highway, without compensation, to this company, subject, however, to the right of revocation which is vested in the Board of Aldermen under Part 3 of the Acts of 1906, chapter 463, section 66, which may be exercised after the expiration of one year from the opening for use by the Street Railway. This right of revocation under the same statute is subject to the approval of the Railroad Commissioners. As it has proved difficult in practice to secure the revocation of grants previously made, it seems necessary to consider at this time the interests of the Commonwealth, of the City of Boston, and the business interests served by this company.

The Union Freight Company was incorporated by chapter 342 of the Acts of 1872, for the purpose of "locating, constructing, maintaining, and operating a railroad for public use, in the conveyance of freight only, with convenient single or double tracks between the terminal points of the several steam railroads entering the City of Boston" through certain streets named in the Act, and "upon and over such other streets as the Board of Aldermen of said city may from time to time determine on the petition of the said corporation"; with the further right to construct, use and maintain side tracks from its main tracks to wharves and warehouses upon the approval of the Board of Aldermen. The act imposed upon the company the duty to receive and deliver freight cars at each of its connections, and to haul the same over its road at its established rates, limiting the exercise of these rights to the night time. It was also empowered to fix and collect tolls for such transportation at rates which should "only be sufficient to pay the reasonable and necessary expenses of said corporation and to pay a dividend of five per centum semi-annually upon the actual cost of the construction and equipment of its road." It was also empowered to "enter upon and use any part of the tracks of any other street railroad." The power to alter, amend or repeal the act as to the franchise, rights, power, privileges, duties, and

liabilities of the corporation and to annul or dissolve it was reserved to the Legislature.

Chapter 235 of the Acts of 1873 authorized and required the company "to receive and deliver passenger cars at each of its connections with the tracks of other railroad corporations made pursuant to the provisions of its charter and to haul such cars over its road at its established rates." Chapter 229 of the Acts of 1876 required the company to permit any railroad corporation, whose road meets the road of the Union Freight Railroad Company, in a manner prescribed by the Board of Aldermen, to enter upon, unite its road with, and use the road of the Union Freight Railroad Company for the transportation of freight, and gave the company the right to operate its cars by steam power subject to the approval of the Board of Aldermen. This section repeals section 2 of chapter 342 of the Acts of 1872, which restricted the operation to the night time, and apparently conferred the right to operate in the day time. This statute also cut down the rate of dividends permitted from five per cent. semi-annually to three and one-half per cent.

The Acts of 1896, chapter 516, section 15 (the South Station Terminal Act), gave the company the right, upon request of the terminal company or of the Mayor of Boston, to remove its tracks from Federal street and re-locate the same on Dorchester avenue, Summer street and Cove street, on locations to be approved by the Mayor. Chapter 430 of the Acts of 1901 restricted the right to ship freights, other than perishable goods, on certain streets, to the hours between twelve, midnight, and five in the morning; perishable freights might be shipped on these streets at any hour of the day or night, subject to the approval of the Railroad Commissioners.

Under the powers conferred by the legislature, the company performs an important public service, and its rights should not be restricted unless public necessity and convenience so require.

The company's authorized capital is \$500,000 and the amount of outstanding stock is \$300,000. Its assets, as shown in the last report of the Railroad Commissioners,

were \$441,169.15. For the year ending June 30, 1907, its gross earnings from operation were \$117,242.76. Its total operating expenses were \$86,807.87, and a seven per cent. dividend was paid, amounting to \$21,000. The total length of track owned is 4.158, and the length of tracks owned and operated by it in public highways of the City of Boston is 3.672 miles.

The company pays a franchise tax to the State and also pays an excise tax to the City of Boston under the provisions of section 134, part 3, chapter 463, of the Acts of 1906. The city received from the company the following amounts for excise taxes in the last six years :

1902	.	.	.	.	.	\$2,029 11
1903	.	.	.	.	.	2,029 11
1904	.	.	.	.	.	2,029 11
1905	.	.	.	.	.	2,029 11
1906	.	.	.	.	.	2,736 14
1907	.	.	.	.	.	2,691 72

It is apparent from the above that, considering the amount of business transacted by the company, no large additional tax could lawfully be assessed, but it is important to consider whether the principle of charging street railway corporations an additional tax for the use of streets should be established. In this connection the extra cost to the city for constructing the bridge in such a manner as to carry the extraordinary weight of the cars of this company should be regarded. Whether the bridge was built with the idea of accommodating the cars of this company, or whether it is a mere coincidence that it is so constructed as to carry them, is not necessary to consider now. The fact remains that the bridge has been constructed in the same manner as if it were specially built for the purpose of accommodating this extra heavy traffic; and it is also a fact that if it had been built with the intention of excluding the cars of this company a much lighter bridge at far less cost could have been built. The principle of charging street railway companies a portion of the cost of construction and maintenance of bridges has already been recognized by the Legislature. The Acts of

1906, part 3 of chapter 463, sections 67, 68, provide that street railway companies may be assessed a proportionate share of the expense of widening streets so as to accommodate street railway tracks, and of changing grades in streets in which street railway locations already exist. Chapter 542 of the Acts of 1908 also recognizes this principle. Under this act a special commission of three disinterested persons may determine whether the railroad corporation, street railway company, or the county, cities or towns in which said crossing is situated, and other cities and towns which may be specially benefited, shall pay the charges and expenses of making any alteration (which does not involve the abolition of a crossing at grade), wherever a public way and a railroad cross each other and a street railway company has tracks upon said public way. Such commission may apportion the charges for such alterations, as well as future charges for keeping such bridge or crossing and the approaches thereto in repair, and it is especially provided that the cost of rebuilding a highway, bridge, or any structural change or renewal thereof for the purpose of strengthening or improving the same, shall be apportioned. It would not be a great extension of this principle to require a similar apportionment of the expense of constructing and maintaining bridges over water courses.

The Commission believes that the Legislature should be petitioned for authority, subject to the approval of the Railroad Commissioners, to assess such charges on the public service corporations which are specially benefited. The Legislature of 1909 should be requested to give to the Mayor and Aldermen of the City of Boston authority to assess a portion of the cost of construction and maintenance of the Northern avenue bridge upon the Union Freight Company. In considering the charge to be fixed regard should be had to the interests of the Commonwealth, of the city, of the company, and of the commercial interests the company serves. No tax should be laid which would operate to the detriment of the public service.

The Legislature should also require the Union Freight Company to extend its tracks to the Commonwealth docks,

so as to secure to the Commonwealth, to the city and to business interests the benefits which were sought to be secured by the building of the Commonwealth pier and the laying out of Northern avenue. The company's interest would be served and the city also relieved of an incubus if the tracks on Atlantic avenue, between Northern avenue and Kneeland street, should be taken up. This phase of the situation should be submitted to the Legislature for its consideration.

The delay caused by a veto of the order of the Board of Aldermen would not result in any material disadvantage to the city. The cost of repaving Northern avenue, made necessary by taking up pavements on the bridge, after the legislative act requested is passed, would be borne by the Union Freight Company. The establishment of the principle above set forth would be of benefit to the city in this particular case, and would ultimately be of greater benefit, as it could be applied to similar grants in the future. The Commonwealth would not be prejudiced by the delay, as it will take at least six months to put the Commonwealth pier in condition for the reception of business, and there is no reason why legislative action should not be forthcoming within that period. The New York, New Haven & Hartford Railroad will be benefited by the relief of congestion in its yard near the South Terminal Station. The Union Freight Company ought not to complain if a reasonable tax is imposed for the use of the new highway.

The Commission respectfully recommends that the order of the Board of Aldermen be vetoed, and that the Mayor petition the incoming Legislature for the legislation above suggested.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND THE
CITY COUNCIL RELATING TO THE FINANCES
OF THE CEMETERY DEPARTMENT.

Boston, July 16, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — The Finance Commission in two communications, one addressed to Mayor Fitzgerald, dated September 12, 1907, and another addressed to the Mayor and City Council, dated November 29, 1907, protested against the purchase of land for an addition to Evergreen Cemetery. The Commission also recommended that the items of \$40,000 for the enlargement of Evergreen Cemetery, and of \$6,000 for a stone wall and fence at Dorchester North Burying Ground, contained in the loan order of July 26, 1907, be repealed.

No further action has been taken in regard to these matters. Although the loans were authorized, they have not been issued.

The Commission now renews its former recommendations for the same reasons as stated in its communications referred to above.

One of the reasons assigned was based upon the opinion of the Metropolitan Water and Sewerage Board that the location of a cemetery near a reservoir for the storage of water which is to be used for drinking purposes is not desirable, and the belief of that board that it is undesirable that the area devoted to burials at Evergreen Cemetery should be enlarged.

By section 2, chapter 379, of the Acts of 1908, it is provided that,

No land other than that so used and appropriated at the time of the passage of this act shall be used for the purpose of burial if it be so situated that surface water or ground drainage therefrom may enter any stream, pond, reservoir, well, filter gallery or

other water used by a city, town or water company as a source of public water supply, or any tributary of a source so used, or any aqueduct or other works used in connection therewith, until a plan and description of the lands proposed for such use have been submitted to the state board of health and approved in writing by said board.

. It is not probable that under the circumstances the State Board of Health would approve of the taking of this land.

In view of these facts, and the improbability of the loan ever being used for the purposes intended, it would seem wise that the vote authorizing the same be rescinded, and the Finance Commission recommends that this be done.

The Cemetery Department has from time to time during past years purchased land and prepared it for cemetery purposes from money raised by loan. There are now outstanding loans for cemetery purposes to the amount of \$176,700, and loans for \$86,000 more have been authorized but not yet issued, including the loans the authority for which this Commission advises the repeal. The Cemetery Department after purchasing and preparing the land sells it to individuals in lots and single graves, the latter term meaning not a prepared grave, but land sufficient for a single grave. The proceeds of these sales have been applied not to the extinguishment of the debt created for purchasing the land, but has been credited to the general income account of the city, and has been treated as a part of the city's general fund for current expenses. This is very much as if an individual should buy land upon mortgage, sell the land in lots, and apply the proceeds not to payment of the mortgage debt, but to his ordinary household expenses.

While there is a fund established for the perpetual care of individual lots and graves, there is no fund for the perpetual care of the cemetery after the lots and graves are all sold. Yet there is a moral, if not a legal, obligation upon the part of the city to maintain them perpetually, precisely as it now maintains the Granary, King's Chapel, Copp's Hill and other public cemeteries. It is only a question of time when the land will be entirely sold and the cemeteries become a heavy annual burden. A fund to meet this should be established,

and a special charge added to the price of each lot and grave to meet the same.

The amounts thus received from the sale of lots and graves during the past seven years have been as follows :

Mt. Hope Cemetery.

YEAR.	Lots.	Graves.	Total.
1907	\$4,880 00	\$6,725 00	\$11,605 00
1906	3,722 50	6,010 00	9,732 50
1905	4,640 50	5,317 00	9,957 50
1904	4,337 75	5,855 00	10,192 75
1903	2,751 00	7,210 00	9,961 00
1902	2,756 00	8,330 00	11,086 00
1901	2,758 00	4,080 00	6,838 00
			<u>\$69,372 75</u>

Evergreen Cemetery.

YEAR.	Lots.	Graves.	Total.
1907	\$660 00	\$1,135 00	\$1,795 00
1906	920 00	870 00	1,790 00
1905	1,310 00	690 00	2,000 00
1904	580 00	675 00	1,255 00
1903	1,430 00	600 00	2,030 00
1902	1,535 50	795 00	2,330 50
1901	510 00	465 00	975 00
			<u>\$12,175 50</u>

Total Sales, 1901-07, Inclusive.

Mt. Hope Cemetery	.	.	.	.	.	\$69,372 75
Evergreen Cemetery	.	.	.	.	.	12,175 50
						<u>\$81,548 25</u>

The Commission recommends that the money received in the future from the sales of lots and graves be applied first to the extinguishment of the debt created for cemetery purposes, and secondly to a fund the principal of which to be used for the purchase and development of such extra land as may be needed, and the income of any balance to be used for the maintenance of the Cemetery Department.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE PURCHASE OF
CERTAIN LAND IN 1901 FROM THE SUPER-
INTENDENT OF CEMETERIES.

Boston, July 23, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — When the Cemetery Department was established by statute in 1897 (chapter 375), Mr. James H. Morton, who had been Superintendent of Mt. Hope Cemetery at a salary of \$2,000, was appointed Superintendent of Cemeteries at a salary of \$2,500 per annum, upon the motion of Mr. William J. Fallon, who was at that time and has ever since been a member of the Board of Trustees.

Mr. Morton's salary was increased in 1901 to \$3,000 and in 1903 to \$4,000.

In its communication of February 29, 1908, the Commission recommended that the salary of the Superintendent of Cemeteries be reduced from \$4,000 to \$3,000. On April 27, 1908, the Mayor communicated with the Trustees of the Cemetery Department suggesting that the Superintendent's salary be reduced, but the Trustees did not follow the suggestion. On May 5, 1908, Mr. Fallon, now the Chairman of the Board of Trustees, wrote to the Mayor, stating that he considered that Mr. Morton was entitled to a larger rather than a smaller salary. In its communication of July 11, 1908, the Commission renewed its recommendation that the Superintendent's salary be reduced, but so far as it is informed no further action has been taken.

At a public hearing held by the Commission on July 22, 1908, the following evidence was presented :

In the report of the Cemetery Department for the year 1897-98 the Trustees called attention to the need of more land for cemetery purposes, especially for the burial of the city poor, and for more greenhouse room at Mt. Hope Cemetery.

Mr. Morton had been connected with Mt. Hope Cemetery since 1865, and Mr. Fallon since 1896. Both had a thorough knowledge of the needs of the cemetery. In September, 1897, they learned that certain land adjoining the cemetery could be purchased at a low price. Instead of using this information for the benefit of the cemetery, or informing the other Trustees of the opportunity for a bargain, they purchased the land on their private account, each furnishing one-half of the money paid and receiving joint deeds of the property. It is inconceivable that both men should not have thought of the possibility of re-selling the land to the city.

Mr. Morton stated to the Commission that he bought the land primarily for the purpose of building a greenhouse for his son, but no such use was ever made of the land.

On February 8, 1899, Mr. Fallon conveyed his half interest in the land to Mr. Morton, receiving, as Mr. Morton testified, a written agreement, never recorded, that he would pay Mr. Fallon one-half the proceeds of any sale. Mr. Fallon claims that it was only an agreement to pay back the money he had advanced for the land. Both said that they could not now find this paper. The later conduct of both parties was consistent with Mr. Morton's version of the agreement.

Early in 1901 the Trustees took steps towards the purchase of additional land for Mt. Hope Cemetery. On January 14, 1901, a committee, consisting of Messrs. Fallon and Morton, and Mr. A. W. Hersey, another Trustee, were appointed to inquire into this question. On January 23, 1901, a committee, consisting of the Chairman, then Mr. J. Albert Brackett, Mr. Hersey and Mr. Fallon, were appointed with full power to purchase such land. On March 7 it was voted by the full Board of Trustees to pay to Mr. Morton for the lots standing in his name the sums of \$1,121.83 and \$9,500 respectively. The assessed valuation of these lots was then \$500 and \$700 respectively.

At this meeting of the Trustees Mr. Fallon was present and apparently voted in favor of these purchases, and also in favor of sending a communication to the Mayor which recited

that the vendor was the Superintendent of the Department. This letter contained these statements :

Mr. Morton, the owner of this land, holds an official position as Superintendent of the Cemetery Department, and we desire to fully inform you of this fact, that the valuation of the land may be considered and the price suggested carefully scrutinized. . . . With the \$15,000 at our disposal we have done the best possible in our judgment for the betterment of existing conditions at Mt. Hope, and the matter has been considered for several weeks thoroughly and in every respect. . . . Mr. Morton's ownership of the land, while consistent, and purchased originally with no intent of sale to the city, and before provision was made for the purchase of any land or the need of land discussed by the department, should be distinctly understood. . . . In giving this our endorsement, we do so after careful investigation and consideration; and mindful of the duty we owe to the city as officials bound to protect its interests.

Notwithstanding the professions of frankness in this letter, which was sent to the Mayor by the Trustees at Mr. Morton's suggestion, no disclosure was ever made by either him or Mr. Fallon to the other Trustees or to the Mayor that Mr. Fallon was interested in the land or that he was to receive any part of the proceeds.

In suppressing a part of the truth the whole statement became a falsehood — so far as those cognizant of the facts were concerned.

On April 5 Mr. Morton received a check from the city for \$10,621.88. On April 6 he gave Mr. Fallon a check for \$5,305.44. Mr. Fallon's original expenditure had been about \$600 ; making a profit of about \$4,700.

It thus appears that a trusted employee of the Cemetery Department and a Trustee of that department, who were both in a position to realize the prospective needs of the city and who were also in a position to influence the action of their department, purchased at a low price land adjoining Mt. Hope Cemetery ; that thereafter they were appointed members of a committee to arrange to procure such land, and that upon their report the city paid over \$10,000 for land

assessed for \$1,200, about \$9,000 of the sum thus paid being secretly divided between them.

Comment on this transaction would be unnecessary were it not for the fact that both Mr. Fallon and Mr. Morton profess to believe that they acted properly in the matter.

That the transaction in any aspect was distinctly improper is obvious; and if, as might fairly be inferred from the evidence, this land was originally purchased with any intention of a later sale to the city, it was still more reprehensible.

As to such conduct by officers or agents of even a private corporation the Supreme Court of this Commonwealth has clearly expressed itself.

In *Parker vs. Nickerson*, 112 Mass. 195, p. 196, the Court says: "This transaction is fraudulent in law. As a general rule, a trustee or agent cannot purchase on his own account what he sells on account of another, nor purchase on account of another what he sells on his own account. He cannot unite in himself the opposite characters of buyer and seller. And if he does so, the *cestui que* trust or principal, unless upon the fullest knowledge of all the facts he elects to confirm the act of the trustee or agent, may repudiate it, or he may charge the profits made by the trustee or agent with an implied trust for his benefit."

The Commission believes that both Mr. Fallon and Mr. Morton were derelict in their duty in failing to disclose that one of the Trustees who passed on the purchase of the land was to or did receive half the price paid by the city, and it recommends that the city dispense with the services of both, and that the Law Department be instructed to bring suit at once to recover the secret profits.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND SCHOOL
COMMITTEE IN RELATION TO THE SCHOOL-
HOUSE DEPARTMENT.

BOSTON, August 4, 1908.

To the Mayor and School Committee of the City of Boston :

GENTLEMEN, — Beginning with 1901, Boston has raised, either by taxation or loans, the following sums for its public schools :

For the School Committee, approximately . . .	\$22,500,000
For the Schoolhouse Department :	
For new buildings, approxi- mately	\$9,300,000
Repairs, approximately	2,500,000
	11,800,000
	\$34,300,000

Ungrudging as the support has been of our constantly more elaborate system of public education, the city has struggled for generations to devise a successful scheme for securing honesty, efficiency and economy in the erection and repair of school-houses. For many years the power to spend money for school-houses was vested in the City Council, and the School Committee complained constantly of the evil results arising from its own lack of control over funds so closely connected with public education. Consequently the City Council soon after the charter revision of 1854 passed the following ordinance: "No school-house should be located, erected or materially altered, until the School Committee shall have been consulted on the proposed locality and plan, *except by order of the City Council.*"

The apparently innocent exception soon proved the rule, practically nullifying the intention of the ordinance, and the conflict of authority between the School Committee and the City Council continued for nearly half a century longer,

until by the Acts of 1895 (chapter 408), 1898 (chapter 400), and 1899 (chapter 362) the whole control of repairs and of the erection of new buildings was transferred to the School Committee, subject only to the approval of the Mayor. During this long period of changing authority and of divided responsibility conditions had been in many particulars unsatisfactory, and thousands of children at times were housed in badly ventilated and poorly equipped hired rooms and basements.

When at last the transfer was complete the result was not as hoped for, to improve the system, but simply to drag down the School Committee through the added temptations offered for corruption. As the decline in the character of the School Committee involved its educational functions, as well as the city's finances, it soon became plain that the outcome of many years of painful experience was to produce a last state worse than the first.

Primarily to avoid further deterioration of the School Committee, the Schoolhouse Department was established in 1901 (chapter 473). It is under the charge of a board of three commissioners, citizens of Boston, appointed by the Mayor without confirmation. Its duties are to select lands for school purposes, to request the Street Commissioners to take the same, to provide temporary school accommodations, and to have charge of the erection and repair of school buildings. It has no power to act finally, without obtaining the opinion in writing of the Superintendent of Schools as to the proposed changes and plans, and it cannot request the taking of any land except within the limits of a school district designated by the School Committee, nor pay for lands except as approved by the Mayor. At first it had absolute power to determine the order in which accommodations should be provided, but by the Act of 1907 (chapter 450) it was made the duty of the School Committee to designate in order the school districts in which in its opinion provision should be made for additional school accommodations, and this order is binding upon the Schoolhouse Department.

Under the three commissioners are a secretary, three groups of engineers, seven inspectors, including an inspector

called a "superintendent of construction," a corps of draughtsmen, a bookkeeping and stenographic force, and certain minor officials.

Since 1901 nine persons have held office as commissioners. The present chairman, appointed in 1902, is the only one of the nine who has had any very long tenure of office. He is an architect of excellent reputation, and has become, through his experience in the department, a leading authority throughout the country on school-house matters. His especial province has been the planning and erection of new buildings.

One of the other commissioners has had charge of repairs.

The duties of the third commissioner have been general and advisory rather than specific.

The secretary's duties are very light, and, as he describes them, mere "routine." They might easily be performed by a member of the commission, and the salary of \$3,000 saved.

After spending \$3,150,000 for land and school-houses, in the brief interval of its power, between 1895 and 1901, the School Committee left to this department a legacy of uncompleted buildings, with a cash balance insufficient to finish them, and forty-two items of new school accommodations requiring early attention. Many of the buildings were inadequately equipped against fire, and in many the sanitary arrangements were disgraceful.

Up to this time there had been no general appreciation of the fact that in a prosperous city, with a steady and healthy growth of population, the erection of school-houses is really a current expense. In Boston there has been a regular annual increase in the school population, averaging about 2,500 pupils, and to meet this there should be a corresponding annual provision for school-house accommodation. The cost must be met by an annual appropriation, either from loans or from the current tax rate. The taxpayers may think, with Mr. Micawber, that they escape when a loan is made. But if loans are raised regularly each year, they will mature with equal regularity. Provision must be made annually not only to meet the sinking fund requirements, but in addition to meet interest on the loans. It is therefore

cheaper for the city, and better for the taxpayers in the long run, to pay current needs out of the current tax rate.

This truth was recognized in 1901, and a new policy was adopted as to future school-house needs. It was not to be expected that any community would tax itself at once to provide for past neglect. Accordingly by Acts of 1901, chapter 288, a loan of \$300,000, and by chapter 473, section 4, of the same year, loans of \$1,000,000 in each of the next four years were authorized to bring the schools "up to date." Thereafter there were to be no more loans. The School Committee was authorized (Acts of 1901, chapter 448) to appropriate out of the current tax rate for current school-house needs (in addition to repairs) 40 cents on each \$1,000 of the tax valuation, which it was believed would yield a yearly sum ample for the purpose.

The School Committee acted upon the new policy in 1902, and made the appropriation. This was vetoed by the Mayor. In 1903 a similar appropriation was attempted, but the necessary two-thirds vote was not obtained. There has been no further attempt to carry out the provisions of this law.

In 1902 (chapter 386) authority was given to borrow additional sums of \$500,000 in each of the next three years. In 1905 (chapter 392) another \$1,500,000 was authorized. In 1907 (chapter 450) the costly system of annual loans was established. Under this law a loan of \$1,000,000 was authorized in each of the years 1907 and 1908, and thereafter the School Committee, subject to the Mayor's veto, may authorize in each year the issue of bonds to the amount of not over \$500,000. As this act contains a provision that "all acts and parts of acts inconsistent herewith are hereby repealed," the authority to appropriate the forty cents out of the annual tax rate may no longer exist.

Instead, therefore, of the \$4,000,000 loans at first authorized for what was claimed to be an emergency, there have been placed at the disposal of the Schoolhouse Department in seven years from loans a total of over \$9,000,000.

Loans are costly not only through the interest account, but because they breed extravagance. The money comes and goes easily. In the pressure for the erection of new schools

and for the improvement of old, all classes — the School Committee, the masters of the schools, the public at large — have joined. Times have been prosperous, and practically no one has been counting the cost. In spite, however, of the large sums at its disposal, the department has always claimed to be cramped for money. It ended the last fiscal year with a deficit in its repair account still undetermined, but approximately \$40,000, and the chairman was and still is appealing urgently for more money as the only solution of the department's difficulties. Various excuses are offered for this deficit, some of which might be satisfactory, were it not for the fundamental fact that both law (Acts of 1901, chapter 473, section 2) and ordinance (Revised Ordinances of 1898, chapter 3, section 25) specifically forbid the department to exceed its appropriation.

At present a serious condition faces the department. It has on hand for summer work an approximate balance of about \$68,000, while, after radical pruning, expenditures urgently needed amount to between \$100,000 and \$150,000. In addition fifteen new portable buildings and further high school accommodations have been called for by the Superintendent of Schools, which if provided will use a large part of this balance.

An easy outcome from this predicament lies in securing, if possible, a special appropriation, and this naturally the department desires. But the Finance Commission is convinced that the true solution lies in following the straight and narrow path of strict economy.

A substantial sum may be saved for necessary fire protection if the legislature next year will authorize the department to carry out its plan of erecting on the Charlesbank Park the new school building planned for the Phillips District. The Charlesbank Park, with its playground, seems especially well adapted for a public school, and the necessity for taking expensive land would be avoided. But this is too doubtful an asset to be relied upon. There is really only one sure way in which money for fire protection can be obtained, and that is the adoption of a more economical type of school building.

As to the matter of repairs the present commissioners state that, unless some extraordinary emergency arises, they are determined not to exceed their appropriation. For this attitude they are to be commended. If adhered to the result cannot be otherwise than salutary. If the people understand that waste and graft mean poorer accommodations and fewer school-houses, they will hold their servants to a stricter responsibility.

There appear to have been two principal evils in the organization of the department. First, the lack of any clean cut distinction between the overseeing and the executive work; no commissioner has had control over the others, and all have undertaken executive work which should more properly have been assigned to subordinate experts. Second, the transfer into the service of the department of employees of the School Committee, imbued with the ideas of the old régime, thus undertaking to secure reform at the hands of those who had been part of the system to be reformed.

To these two causes may be ascribed many of the financial difficulties.

In 1905 there was established a system under which the various inspectors were required to make preliminary estimates as to the cost of repairs undertaken. The inspectors testified before the Finance Commission that in their estimates they ought to come within 5 per cent. of the actual cost of the work. Thereupon the Finance Commission tabulated these estimates. Of the approximately 11,768 estimates only 4,767 came within even 10 per cent. of the final cost, and 7,001 varied more than 10 per cent. therefrom. Many of the estimates showed a variance of several hundred per cent. from the final cost. Sometimes a job has developed into a greater matter than had been expected, or the master of a school with or without authority has ordered extra work done. But such extraordinary discrepancies as were found between the estimates and the actual costs cannot thus be explained without reflecting seriously upon the department for permitting so faulty a system to continue so long. The commissioner who originated the system admits that in practice it has proved a failure, and states that if

such discrepancies were so often repeated in his private business he would not retain in his employ those responsible.

Not only have the preliminary estimates been faulty, but in many instances the system of inspection and payment of bills has been useless in protecting the city's interest. No bill could be paid without the signature of (1) the inspector, (2) a member of the commission, and (3) the secretary. Here seemed to be a triple guard, but the evidence shows that the signatures of the commissioner and the secretary have been wholly perfunctory, and they have defended themselves upon this ground when confronted with bills which they have approved, but which contained either excessive or dishonest charges. If the inspector has been incompetent, negligent, or dishonest, there has been no adequate means of checking or detecting him.

Contractors having large dealings with the department whose bills have aggregated many thousands of dollars have been permitted to charge practically what they chose.

A contractor who has done most of the work on school-house furniture has been paid by the department \$172,856.33 during the last seven years. Notwithstanding this large aggregate of payments he claims that he has kept no books, and was unable to produce even the timesheets of his men from which he says that he made up his bills. These bills represent a succession of extraordinary overcharges. Last year, for example, he was paid \$120.50 for work at a certain school. This year substantially the same work has been done by another contractor for \$35.20 to the satisfaction of everyone.

The order under which this first contractor acted called for work to be done in early July, 1907, and other work late in August. On July 10, he presented a bill in which he charged for both. He gave in detail the number of days, and the amount of material furnished, not only for the work already done, but for the work to be done. For example, he charged \$122, or \$4 a day for 30½ days' labor, which had not then been performed, and could not be until the following month. It is obvious that he could not have made this bill from time sheets furnished by his men, for they had not done the work. It is equally obvious that he could not know in July that his

men in August would occupy precisely 30½ days. Nor could he know in July the amount of material which would be used in August. The exact detail of the bill shows its falsity. Yet this prophetic bill, which bore on its face its own refutation, was approved by the inspector, the acting chairman, and the secretary of the Schoolhouse Commission, audited by the City Auditor and paid. In August the work was actually done, and in September he rendered a second bill for this part of the work, an exact duplicate of the first, and this bill also was approved by the inspector, the acting chairman, and the secretary of the Schoolhouse Commission, audited by the City Auditor and paid. When asked the general question whether if a bill rendered by him should be lost he could make a duplicate, he said he could not, giving as a reason that he had no books, and always destroyed the time sheets. Yet here was an exact duplicate, rendered two months after the original. If he kept no books or memoranda, it is inconceivable that he could have made this duplicate. The second bill was rendered after the work was done ; and at that time he must have had time sheets which told the truth. If made up from these sheets this bill could not have corresponded exactly with the first. Thus the city paid twice for the same work, and in each instance upon fictitious charges.

Another contractor who testified that he has done from \$50,000 to \$75,000 of work for the department agreed to do certain school-house work for the actual cost plus 10 per cent. The roofing was done by a sub-contractor, who in collusion with the main contractor raised his bill, and the additional amount with 10 per cent. was collected from the city. The overcharge was not detected by anybody connected with the Schoolhouse Department. The contractor failed without having paid the sub-contractor, who thereupon revealed the fraud. An indictment for stealing the city's money followed ; and on a plea of guilty the main contractor was fined \$300.

No attempt has been made to recover the overcharge, although a claim of this nature is not barred by bankruptcy, and the contractor is again doing business, and is importuning the department for further work.

Numerous other instances have been found in which more

careful oversight and better executive work would have saved money.

The Finance Commission, in its report of April 17, 1908, has already pointed out how the department has suffered from collusion among boilermakers and certain fireproofing concerns. In other cases, brought to the attention of the Commission, there is little doubt that collusion has existed, but it is difficult to establish the fact by complete legal proof. On one occasion the suspicions of the department were aroused, and over \$4,500 was saved to the city by rejecting certain bids for heating apparatus and calling for new bids.

In July, 1906, land on Savin Hill assessed for \$22,000, but actually worth much less, was offered the department for \$13,000, was subsequently sold to an individual purchaser for \$11,000, and was again offered to the city for \$13,000. Without this offer being formally withdrawn, the property was bought by the department for \$17,500. The chairman's explanation is that both offers at \$13,000 were filed away by him and forgotten. The earlier offer was made when the department had no immediate thought of taking land on Savin Hill; but this was not true of the second offer. No provision was made by the department to guard against oversights of a similar nature until such precaution was recommended by the Finance Commission.

In another case, in the summer of 1907, the department having decided that it was inexpedient to make certain requested improvements in a school, it was found that, notwithstanding this decision, a contractor was doing work on the order of one of the commissioners. The contractor had progressed so far that it was decided to let him finish. This unnecessary work cost the city about \$2,000.

If care had been taken to prevent such occurrences the department might now have sufficient means to make all repairs needed.

Certain contractors have had private dealings with certain employees of the department, sometimes doing work for nothing and in other cases charging no profit. This should not be allowed. It impairs the efficiency of the department, increases the cost of work to the city, and reflects unjustly

on the honest employees and on those contractors who wish to work for the city on strict business principles. No one can be impartial who has received such favors, and no one accepting them should be retained in the city service.

In the portion of the work which has been the peculiar province of the chairman, the erection of new buildings, a praiseworthy attempt has been made to reduce the type of buildings to a scientific basis, establishing units of cost and standardizing plans and specifications. The reports of the department are models in their keen analysis and frankness, defects being pointed out as unflinchingly as merits.

The chairman is, however, an unyielding advocate of complete fireproof construction on the ground that thus may be secured greater permanence, a minimum of fire risk and smaller need of repairs. On such a question his opinion is certainly entitled to weight. Nevertheless, as the expenditure of over \$9,000,000 for new school buildings is a problem of finance as well as architecture the Finance Commission has given the subject serious independent study.

In considering the advantages of permanence it should not be forgotten that educational thought is now in a transitional stage, the tendency being towards a reduction in the number of pupils in a class-room. Formerly the quota was fixed at 56, and the rooms of the older buildings are of a size to hold that number. This year the number is 46, next year it will be 44, and two schools are now planned in which the rooms will accommodate only 42 each — presumably the standard for the immediate future. All educational experts agree that even this is too large, and therefore, before many years, the size of classes may be reduced still further; if so, the present buildings, of whatever type, will become ill adapted to the then educational needs. The greater the economy in building them now, the smaller the loss will be then.

In time public opinion will recognize the importance of erecting school buildings away from narrow and crowded streets. Some private day schools for city boys are successfully conducted in the country; and what may seem a novel proposition, to erect public schools on or near public parks, thus giving children of the city the light and air of the

country and opportunities for out-door exercise, may sometime be regarded as a successful solution of a difficult problem. The cost of transportation and even mid-day luncheon would be offset by the saving of cost on land and buildings. This possibility of abandonment is an added reason for making present buildings, even within the fire limits, less expensive.

The danger from fire may be much exaggerated. The Finance Commission has been unable to learn of a single loss of life through fire in any Boston school. It has obtained a statement, which it believes accurate, of all such fires since 1871, before which date statistics are unavailable. During these 37 years there have been but 22 fires. Of these not over 11 occurred while the schools were in session, an average of less than one in three years. Most of these fires were quickly extinguished with slight damage. In only one instance was there confusion or injury to pupils. In this case the doors of the storm porch opened inwardly, an arrangement not permitted at this time. Not only has the damage from fire in school-houses been slight in the past, but in recent years the problem of fire protection has been practically solved without extending fireproof construction throughout new buildings.

As only 24 of the 306 school buildings, after all the recent expenditures, are of the kind of construction advocated by the chairman, it follows that all needless expense in erecting new buildings means a sacrifice, for their sake, of the interests of the other schools, in which an overwhelming majority of school children are housed. It is agreed by everybody interested that adequate provision has not been made for the fire protection of many of the older buildings, and no money is available for this purpose, except such balance as may be left from the appropriations for new buildings, under an act passed by the last legislature. (Acts of 1908, chapter 524.)

On the question of maintenance, a recent member of the Schoolhouse Commission, who is a practical builder, and for four years (interrupted, however, by assignments to other departments) has had charge of repairs on the

various schools, is of the opinion that there is no appreciable difference between the cost of maintaining strictly fireproof buildings and those of a somewhat cheaper construction.

The Finance Commission has consulted many architects with experience in school-house construction. Though their opinions differ in detail, the consensus was clear that making school-houses fireproof throughout was not absolutely essential for safety, and that the repair bills would not be materially increased if a somewhat cheaper standard of construction should be adopted.

More especially the Finance Commission inquired of these architects what the saving would be, if, instead of the type advocated by the chairman, there had been built in Boston school-houses of the best type erected elsewhere in Massachusetts. Their replies indicate that, outside the fire limits of the city, at least 10 per cent. might be saved — some of them thought considerably more. The chairman of the Schoolhouse Commission himself admits that the initial saving would have been 5 to 10 per cent.

The significance of these figures can hardly be overestimated. Five per cent. of small sums such as most people deal in may seem a trifling amount. But 5 per cent. of \$9,000,000 is \$450,000; 10 per cent. is \$900,000. Making due allowance for cost of land, and for buildings inside the fire limits, there might easily have been enough saved to have put in good condition the older buildings most needing improvements, or to have erected several new buildings to take their places. In some buildings there has been extravagance in the use of unnecessarily expensive materials. The most serious problems now confronting the department would have been solved by a saving in construction and materials which the Finance Commission believes to have been entirely feasible.

Another cause of needless expense is found in the present circuitous and cumbersome system of acquiring land for school purposes. Before land can be taken three independent tribunals must act.

1. The School Committee designates the school district in which it desires new school accommodations, but has no voice as to the exact location nor as to the cost.

2. The Schoolhouse Department, after advertising for offers of land within the designated district and after obtaining the opinion of the Superintendent of Schools, selects, with the approval of the Mayor, a specific lot and requests the Board of Street Commissioners to take the same. It may agree with the owner as to the price, but, if it cannot, must act without knowledge of or control over the cost.

3. The Board of Street Commissioners, at the request of the Schoolhouse Department, takes by purchase or by right of eminent domain the exact lot designated, having no option in the matter. If the price has already been agreed upon, it is bound thereby; otherwise it makes the best trade it can with the owner, or submits the matter to a jury.

The opinion seems to have prevailed that the Schoolhouse Department has nothing to do with the price and can make no agreement with the owner. This view of the law has cost the city a great deal of money. The time to make a bargain is prior to the final selection of the land, as after a specific piece is once selected competition is eliminated, and the owner, if no price has been agreed upon, has the city practically at his mercy. The result has been "that the Board of Street Commissioners are often forced to make an award not only far above the assessed valuation, but also above prices informally given before the taking" (Annual Report of the Schoolhouse Department for 1904, see page 338).

As stated in its communication of May 29, 1908, the Finance Commission asked the opinion of the Corporation Counsel as to the law, who replied that the Schoolhouse Department can make a contract with the owner for the purchase of land for school purposes and agree upon the price within the statute limit and that the Street Commissioners would then purchase the same for the city at the agreed price. This would seem to render unnecessary the intervention of the Board of Street Commissioners.

The primary needs of the department are better supervision and an executive officer of large ability, who shall have complete charge of the department, giving his whole time and thought to it and having practically permanent

tenure of office during good behavior. The appointment of such an official involves radical changes in the composition and duties of the Commission. It cannot wisely remain partly an overseeing board, partly three executives.

In the opinion of the Finance commission the Schoolhouse Commission should become an unpaid board. One member should be an architect. Another should be a business man who has knowledge of real estate values. One might be a practical builder or an engineer. It is believed that public-spirited citizens will accept positions on such a board, to plan and oversee the work of a competent executive, as the trustees of the Public Library stand behind the librarian, or the School Committee behind the superintendent.

Possibly the single paid executive might be a member and chairman of the board. Such an arrangement would be analogous to the president and directors of most corporations, and is not unknown in municipal matters. The danger is that, with the lapse of time, the reasons for distinguishing between paid and unpaid commissioners may be forgotten and that some future administration may be induced to restore salaries.

By converting the Schoolhouse Commission into an unpaid body, and by abolishing the present office of secretary, the present salaries of the commissioners (\$11,000) and of the secretary (\$3,000) will be saved. For less than one-half these combined salaries a competent executive head of the department can surely be secured.

While the functions of this department and those of the School Committee are closely allied, and there is at present a friendly feeling between them, there should be a closer co-operation. Much needless expense was incurred by starting a building in the normal group as an elementary school, and changing it later to a high school.

"Too much emphasis," say the commissioners forcibly, "cannot be placed on the necessity for careful study of such problems, not after they are under way, but when they are on the drawing-board." Already the department must get the opinion of the Superintendent of Schools before purchas-

ing land or letting contracts for new buildings. It would be wise to extend this interchange of information and authority before making major repairs. The commissioners feel keenly their need of getting into closer touch with the educational side of the school problem.

In seeking a permanent solution of the department's problem the Finance Commission is convinced that none of the unfortunate experiments which preceded the creation of the department should be revived. The reforms should be inaugurated within the department.

RECOMMENDATIONS.

This Commission makes the following recommendations: Mr. Crocker does not concur in the sixth recommendation, as he does not desire to pass judgment upon technical questions of construction, particularly with regard to matters of fire-proofing. Such questions he regards as peculiarly within the province of the Schoolhouse Commission.

(1.) That the next legislature be asked to enact a law making the Schoolhouse Commission an unpaid board.

(2.) That someone of proved administrative capacity be appointed, with a suitable salary, to take charge of the executive work, giving to it his entire time. As the new executive must come from the civil service, the Civil Service Commissioners should be asked to appoint a special board of examiners to secure the right type of man.

(3.) That the position of secretary of the board as a salaried official be abolished, and that one of the members serve as secretary without compensation.

(4.) That the system of estimating and inspecting repair work, and of paying bills, be carefully revised, and that all incompetent and inefficient employees should be discharged.

(5.) That the matter of excessive and improper charges by contractors be referred to the Corporation Counsel for such action as he may deem wise.

(6.) That the present type of new school buildings be so modified that there may be a saving in cost, the reduction to be not less than 10 per cent.

(7.) That the next legislature be asked to enact a law

authorizing the Board of Schoolhouse Commissioners to take land for school purposes by right of eminent domain, without the intervention of the Street Commissioners. The Park Department already has a similar right.

(8.) That the law be so amended that the expense of building school-houses to meet the normal growth in the school population be met from taxes, and not from loans. This principle should apply to all expenditures for permanent improvements which are annually recurrent, in whatever department.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE SUPERINTENDENT
OF STREETS RELATING TO A PROPOSED
ONE-YEAR CONTRACT FOR GAS AND
NAPHTHA STREET LAMPS.

Boston, August 12, 1908.

Mr. GUY C. EMERSON,

Superintendent of Streets, Boston, Mass. :

DEAR SIR,—In reply to your letter to the Finance Commission of August 1, 1908, stating that “unless there is objection by the Commission to this arrangement I shall, with the approval of the Mayor, enter into the contract as indicated,” the Commission begs to state that it sees no objection to the awarding of a one-year contract for gas and naphtha lighting in Boston to the Rising Sun Street Lighting Company upon the terms of their bid for a five-year contract and at the same price.

Respectfully yours,

THE FINANCE COMMISSION,

by

R. M. HULL,

Assistant Secretary.

COMMUNICATION TO THE MAYOR ON THE
SUBJECT OF STREET LIGHTING.

Boston, August 27, 1908.

HONORABLE GEORGE A. HIBBARD, *Mayor* :

SIR, — The Finance Commission having noted your decision not to award a contract for street gas lighting for five years for the reason that all of the bids recently received were too high, suggests that if the contract for one year recommended by the Superintendent of Streets is awarded to the lowest bidder for one-year service, the following considerations should be kept in mind :

The Commission believes that the problem of effective and economical street lighting is in a transition and development stage and that the near future will bring improvements both in efficiency and economy of lighting.

Without any such examination as would enable it to pass upon the merits of any system, the Commission has noted in electric lighting the metallic filament incandescent lamp and various forms of the so-called flaming arc, forms of both being in use in European cities. In gas lighting there are several forms of inverted incandescent mantle lighting both with and without the use of gas at a high pressure. These also are in practical operation in Europe, notably in London and Berlin. There are also a number of methods of automatic lighting and extinguishing for which claims of economy are made.

None of these methods of lighting has been sufficiently tested under local conditions to make it advisable to make any definite contract for their use at the present time.

It is possible that some newer and still better methods than those noted by the Commission may be presented and their value demonstrated if an opportunity is given.

A desire thus to make demonstrations and exhibitions has

been expressed by those interested in various new methods of street illumination.

The Commission suggests that every opportunity be given to those who may have new and modern methods of street lighting to exhibit their processes and to demonstrate their value in actual operation in the streets or parks.

This can easily be done without violation of the one-year contract which it is proposed to award.

If this action is taken and these various methods of lighting are tested in practical operation, the Commission believes that specifications should be drawn and bids asked for not later than March 1, 1909, and that by April 1 a contract or contracts for lighting the streets of Boston from and after the expiration of the then existing contracts, can be intelligently awarded and that the result of such awards will be better street lighting at a much reduced price.

By calling for bids thus seasonably no advantage of an entrenched position will be given to the company which has its plant installed.

Respectfully yours,

J. W. FARLEY,

Secretary.

COMMUNICATION TO THE MAYOR RELATING
TO THE ASSESSMENT OF DAMAGES FOR
PROPERTY TAKEN BY THE CITY.

BOSTON, August 27, 1908.

HONORABLE GEORGE A. HIBBARD, *Mayor* :

SIR,— The investigations of the Finance Commission have disclosed the fact that the interests of the city have not been properly protected in many of its real estate transactions. The purchase of land on Codman street for stone crushing purposes, at Savin Hill for school-house purposes and at Mount Hope for cemetery purposes, and the attempted purchase at exorbitant prices of land for the Insane Hospital and for Evergreen Cemetery, are notable instances.

The Commission has recently discovered a situation as dangerous to the city as those already reported upon in connection with land purchases. It is involved in the employment of experts whose undisclosed interests are adverse to those of the city.

The facts are as follows :

Acting under authority of chapter 428 of the Acts of 1890, and acts in addition thereto, the Mayor and Aldermen of the City of Boston, on July 5, 1899, filed a petition in the Superior Court for the abolition of the grade crossing at Dudley street, and the apportionment of damages resulting therefrom. Three commissioners were appointed by the Court on June 1, 1903, and public hearings upon the question were begun on March 5, 1904, and concluded on March 24, 1905. The commissioners filed a report in the Superior Court on July 7, 1905, and the Court made its decree on July 19, 1906. Under the terms of the decree the damages were to be paid as follows :

New England Railroad Company, by N.Y., N.H. & H. R.R., Trustees				65 per cent.
Commonwealth of Massachusetts				10 “
City of Boston				10 “
West End Street Railway Company				15 “

In the report of the commissioners changes in the grades of Alexander and Dudley streets and other streets affected were set forth, and plans and profiles were filed in connection therewith. The city, acting for itself and the other parties in interest, to assist in making settlements with various owners of property on Alexander street, and at the corner of Dudley street, employed Henry W. Hubbard as an expert to estimate both the value of the estates and the probable damage to each resulting from the change of grade. From time to time since 1900 Mr. Hubbard had been employed by the city as an expert in appraising land values and testifying in court, and had received from the city fees amounting to \$5,315.

In October and November, 1906, he submitted estimates both as to the value and as to probable damages upon the estates numbered 3, 5, 6, 8, 9, 10, 11, 12, 13, 14 and 16 Alexander street, and as to damages upon the estate at the corner of Alexander and Dudley streets. He gave it as his opinion that the value of each estate was \$5,000, excepting No. 13, which he valued at \$5,500. On No. 4 and No. 7 he made no estimates.

Hubbard admits that at this time he owned both No. 4 and No. 7, the title standing in the name of his father-in-law, Moses S. Waite, who held it for him. He had paid \$3,500 for each, which was \$100 less than their assessed value. He bought No. 7 on September 2, 1905, and No. 4 on July 19, 1906. Thus at the very time that he estimated the value of No. 5 and No. 6 at \$5,000, he knew that he had personally bought No. 4 and No. 7 for \$3,500.

Within a few weeks after he made these estimates he bought No. 6 (December 20, 1906) for \$4,025 (\$975 less than his estimate), and No. 5 (January 22, 1907) for \$4,000 (\$1,000 less than his estimate), taking title to both in the name of a third person, whom he describes as a "straw man."

If the fact that he had previously bought numbers 4 and 7 for \$3,500 each did not indicate that he was mistaken in the estimates which he gave the city on numbers 5 and 6, the fact that he could and actually did buy the latter for \$4,000

and \$4,025 respectively demonstrated that his estimates of \$5,000 were too high. Having received a fee for his opinion, he was bound morally, if not legally, when he found that opinion to be wrong to disclose the fact that the market price as shown by actual sales to himself was less than he had stated. He had no right to permit the city to settle his and other claims in ignorance of the true situation.

On three of the estates, viz.: No. 4, No. 5 and No. 6, damages had accrued in favor of the original grantors under the decree of Court of July 19, 1906, and releases for damages and orders for the payment of money were given by the grantors to Hubbard's agents.

Though he did not directly appraise the value of his own estates, No. 4 and No. 7, his estimates for the other eleven parcels undoubtedly influenced the awards which were finally made upon them.

Hubbard made large profits on these transactions. The prices paid and the amounts received by him as damages are as follows:

NUMBER.	Assessed Valuations, 1905 and 1906.	Price paid by Hubbard.	Damages Received for Lowering Grade.
4	\$3,600 00	\$3,500 00	\$3,500 00
5	3,600 00	4,000 00	3,000 00
6	3,500 00	4,025 00	3,200 00
7	3,600 00	3,500 00	2,500 00
Totals	\$14,300 00	\$15,025 00	\$12,200 00

The damages were assessed on the basis of loss sustained by the lowering of the grade, no land or buildings being taken. Thus, for example, he received as damages for No. 4 the exact amount which the entire property cost him, viz.: \$3,500, and he had the property itself left.

For these four estates Hubbard paid \$15,025. He has since sold estates No. 4 and No. 6 for \$3,000 each. This, added to the \$12,200 which he has received as damages, makes a total of \$18,200 which he has so far realized on his

original investment of \$15,025, and he still owns the estates numbered 5 and 7, which he estimates to be now worth \$12,000. On these he has spent \$3,000 for reconstruction. His net gain on the transaction, therefore, has been \$12,175.

It may be merely a coincidence that he acquired title to numbers 5 and 6 one and two months respectively after he made his estimates of the damages. It is significant, however, that he did not disclose to any city official his interest in any of the four estates while negotiations for a settlement were pending. He was in no position to give disinterested advice. It was his duty to apprise the law department of his interest in order that they might give due weight to such interest when considering his estimates upon his own property and adjacent property upon the same street.

These are not the only estates out of which he has made a profit from the city. In 1908 the city paid him \$12,500 as damages for land in Neponset, on which he made a profit of \$5,000. He still owns the entire property subject to an easement, the damages being awarded on account of a change in grade. The title to one of these estates stood in the name of his brother-in-law, William H. Dyer, and the title to the others stood in the name of the "straw man" already referred to.

Hubbard offered to appraise these estates, but the offer was rejected by the Law Department as his interest had been discovered.

He stated that it is his usual practice to employ "straw men" in his land deals with the city — that he never discloses his interest, and that he now owns several parcels which he expects the city will take when certain anticipated public improvements are made. The danger of employing as an expert a man who is constantly anticipating public improvements which require the taking of property, and using "straw men" to conceal his proprietary interest, is manifest. While acting for the city he is tempted to place an exorbitant figure on his own land and his selfish interest may never be discovered. No one should be employed by the city as an expert who has been known to act as agent for it in estimating damages to property which he subse-

quently acquired where he also concealed his interest from the city before the final award was made. Nor should a city official who acts as a "straw man" for such an expert escape censure. William H. Dyer, who acted in that capacity for Hubbard in relation to the property at No. 6 Alexander street, as well as at Neponset, is employed by the Law Department and by the Police Department of the city in the investigation of claims against it.

The Corporation Counsel states that he is in doubt as to whether the city has any legal remedy in this matter. There should be no doubt on such a question. Law and morals ought to coincide. If they do not, the law should be changed. Experts acting for the city should regard themselves as occupying a fiduciary relation towards it, and the law should make it impossible for them in such cases to retain profits obtained at the expense of the city without a full disclosure of the facts. In view of the nature of this transaction, the Commission recommends that the Law Department be instructed to bring suit to test the question of liability, and if it should appear that there is none, that the Legislature be asked to remedy the defect.

Respectfully submitted,

THE FINANCE COMMISSION,

by

J. W. FARLEY,

Secretary.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE EXPENDI-
TURES OF THE COUNTY OF SUFFOLK.

Boston, August 29, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — The Finance Commission submits herewith a report on the subject of Suffolk County expenditures.

Suffolk County is composed of the cities of Boston and Chelsea and the towns of Revere and Winthrop. The City of Boston bears the entire county expenses and receives the fees of all county offices except the Registry of Probate. Chelsea, Revere and Winthrop receive the benefits of county administration, but pay none of the charges. The financial relations of Boston with Chelsea, Revere and Winthrop will be the subject of a later report.

The law which limits taxation for city purposes to \$10.55 on each \$1,000 of valuation does not apply to county purposes. For the latter there is no limit fixed by law (Acts of 1900, chapter 399).

The Board of Aldermen of Boston act as County Commissioners and the City Council appropriates the money for county expenses. These include the care and maintenance of the Court House in Pemberton square, the Jail, the House of Correction, the buildings occupied by the Municipal and District Courts in Boston and in part the Police Court in Chelsea; the stationery and printing of the several courts; the salaries of the Judges of the Juvenile Court, the District and Municipal Courts of Boston and the Police Court of Chelsea; the salaries of the clerks, court officers, stenographers, messengers and all other employees of all the courts, the Registry of Deeds, and, with certain exceptions, of the Registry of Probate; the fees of jurors and of govern-

ment witnesses; the commitment of the insane; the salaries and expenses of medical examiners, and other miscellaneous items.

The Commonwealth pays the salaries of the Register, two assistant registers and seven other employees of the probate office, the District Attorney and his staff, excepting one stenographer and one clerk, and it also gives certain allowances to two clerks in the office of the Clerk of the Supreme Judicial Court, to one assistant clerk in the office of the Clerk of the Superior Civil Court, and to six officers of the Supreme Judicial Court. The payments by the Commonwealth amount annually to \$41,800.

The actual county expenditures in 1907-08 were \$1,500,090.41. Of this there was spent \$286,782.86 for the Penal Institutions Department, \$182,149 for payments on the county debt and interest and sinking-fund requirements, and \$7,324.60 for certain minor items. The remainder is classed as "general expenses" and affords a better basis for comparison with other counties than the sum total. The three items above mentioned have, therefore, been omitted from the present calculations. The first covers what is now treated as a city department, the second is a capital charge, and the third fluctuates and is comparatively unimportant.

The general expenses for the county for the year 1907-08 are thus found to be \$1,023,833.95. In 1892-93 they were \$520,009.12. In fifteen years they had increased \$503,824.83, or about 97 per cent., while the income from the departments herein dealt with increased from \$129,422.72 to \$181,917.26, or only 40 per cent. In the same period the estimated increase of population was 32 per cent. and of valuation 51 per cent.

The following table shows that the expenses have increased in every branch of the service except in the Municipal Courts of Charlestown and South Boston:

	Expenditures, 1892-93.	Expenditures, 1907-08.	Amount of Increase.	Percentage of Increase.
1. County Buildings.....	\$27,483 99	\$91,274 31	\$63,790 32	232.0
2. Jail.....	29,174 55	61,546 46	32,371 91	110.0
3. Supreme Judicial Court.....	22,418 42	38,356 90	16,532 48	73.7
4. Superior Court, Civil Session.....	139,113 94	330,486 87	191,372 73	137.0
5. Superior Court, Criminal Session,	79,398 54	134,569 35	55,170 81	69.0
6. Probate Court.....	11,345 56	36,962 94	25,617 38	225.0
7. Municipal Court Justices.....	21,260 00	39,170 00	17,910 00	84.0
8. Municipal Court, Civil Session.....	15,555 28	26,296 95	10,741 67	69.0
9. Municipal Court, Criminal Session,	46,431 25	60,815 74	14,384 49	30.9
10. Municipal Court, Charlestown Dis-				
trict.....	9,528 88	9,488 23	* 40 15	* .4
11. East Boston District Court.....	7,988 46	9,126 37	1,137 91	14.0
12. Municipal Court, South Boston.....	12,388 65	12,200 53	* 188 12	* 1.5
13. Municipal Court, Dorchester.....	5,622 52	7,905 78	2,283 24	40.0
14. Municipal Court, Roxbury.....	11,269 79	16,799 50	5,529 71	49.0
15. Municipal Court, West Roxbury.....	5,757 81	6,339 37	1,081 56	18.0
16. Municipal Court, Brighton.....	4,825 40	5,589 64	764 24	15.0
17. Police Court, Chelsea.....	6,668 64	11,118 47	4,449 83	66.0
18. Registry of Deeds.....	† 11,678 82	62,977 08	51,298 26	—
19. Insanity cases.....	12,973 41	19,657 64	6,684 23	51.0
20. Land Court.....	—	† 2,226 30	2,226 30	—
21. Medical examinations.....	12,829 43	15,639 92	2,810 49	21.9
22. Miscellaneous expenses.....	15,703 64	16,163 90	450 26	2.8
23. Boston Juvenile Court.....	—	\$ 8,017 92	8,017 92	—
24. Fire Marshal.....	|| 10,592 64	—	* 10,592 64	—
Totals.....	\$520,009 12	\$1,023,833 95	\$503,824 83	96.8

* Decrease.

† Paid out of fees until October 1, 1895.

‡ Established in 1898.

§ Established in 1906.

|| Abolished in 1896.

Not less striking than the increases in the total are the increases in particular instances.

1. COUNTY BUILDINGS, \$27,483.99 to \$91,274.31.

The increase of 232 per cent. is not susceptible of explanation on any theory except that of gross extravagance. In 1907-08 there was spent for engineers, firemen, janitors and cleaning at the Court House in Pemberton square, the jury waived session at the Old Court House and the District Police and Municipal Courts \$45,150.41; in 1892-93 the amount spent for this purpose was \$13,146.71. The increase in the number and size of the county buildings does not account for the increase in expense.

2. JAIL, \$29,174.55 to \$61,546.46.

The increase of 110 per cent. in the 15 years, ending February 1, 1908, seems extraordinary.

For the 15 years, ending September 30, 1907, the increase in

the expenses and salaries of the Suffolk Jail as compared with all other county penal institutions in the State are as follows:

SUFFOLK JAIL.			ALL OTHER COUNTY PENAL INSTITUTIONS.		
YEAR.	Expenses.	Salaries.	YEAR.	Expenses.	Salaries.
1907.....	\$59,875	\$30,520	1907.....	\$558,095	\$238,689
1892.....	28,974	18,407	1892.....	413,741	138,330
Increase in %...	108	127	Increase in %.	34	73

The average number of prisoners in the Suffolk Jail increased from 169 to 258, or 52.6 per cent., but this does not justify an increase in expenses of 108 per cent. and in salaries of 127 per cent.

3. SUPREME JUDICIAL COURT, \$22,418.42 to \$38,950.90.

The increase of 73 per cent. in expenses seems to have been justified by an increase of 190 per cent. in business.

	1907.	1892.	Increase in Percentage.
Clerical service.....	\$10,765	\$3,938	173
Total expense.....	38,950	22,418	73
New cases entered	1,731	596	190

4. SUPERIOR COURT, CIVIL SESSION, \$139,113.94 to \$330,486.67.

The office of the clerk will be reported upon in detail later. The work of the entire office, for part of which the clerk is directly responsible and for part of which he is not, has not increased sufficiently to justify the increase in expenses. While the business, as measured by the number of suits entered, has increased about 43 per cent. the expenses have increased 137 per cent.

5. SUPERIOR COURT, CRIMINAL SESSION, \$79,398.54 TO \$134,569.35.

This is exclusive of the salary of the District Attorney and all his assistants, except one clerk and one stenographer.

Apparently the increase in expense has not outrun the increase in business. While the total expenses have increased 69 per cent. the number of cases has increased from 2,511 to 4,462, or 77 per cent. The cost of clerical service, however, has increased from \$6,055 to \$13,332, or 120 per cent. It should be noted also that the total expenses in the last two years have increased over \$32,000, or 32 per cent., while the number of cases increased only 21 per cent. The increased amount paid to jurors and witnesses in 1907-08 over 1905-06 is striking.

	Jurors' Fees.	Witnesses' Fees.
1907-08.....	\$31,577 88	\$35,201 95
1905 06.....	18,500 80	25,877 20
Increase in 1907-08 over 1905-06..	\$13,077 08 or 70%	\$9,324 75 or 36%

The increase in these two items in the last two years accounts for 40 per cent. of the entire increase in the expenses of this office in the last fifteen years.

6. PROBATE COURT, \$11,345.56 TO \$36,982.94.

The increase of 225 per cent. requires much explanation. The increase in the last five years was 35 per cent., which is much more than the increase in business. The office will shortly be the subject of a special report.

7-17. POLICE, DISTRICT AND MUNICIPAL COURTS, \$147,291 TO \$205,345.

An increase of 39 per cent. is too rapid even for this growing branch of the service. Some employees are over paid and some are superfluous.

18. REGISTRY OF DEEDS, \$11,678.82 TO \$62,977.08.

Prior to October 1, 1895, the salaries were paid from fees, and the total expense of the office in 1892-93 was more than the \$11,678, which was paid from the City Treasury. The year 1896-97, being the first entire year when all expenses were paid directly from the treasury, affords a proper basis for comparison. The expenses in that year were \$41,451. Since then they have increased \$21,526, or 51 per cent., which is much more than the increase of business justifies. The office will later be the subject of a special report.

INCREASE IN GENERAL EXPENSES OF THE COUNTY.

The increase in county expenses during these fifteen years has been progressive, the increase in the last five years having been greater than in either of the two preceding five-year periods.

Increase 1897-98 over 1892-93 was \$168,874 34

Increase 1902-03 over 1897-98 was 113,922 23

Increase 1907-08 over 1902-03 was 221,028 26 = 27 per cent.

One hundred and eighty-three thousand four hundred and forty-nine dollars, or 83 per cent. of the total increase in the last five years, is found in the six items below.

	1902-03.	1907-08.	INCREASE.	
			Amount.	Per cent.
County Buildings.....	\$75,546 49	\$91,274 31	\$15,727 82	20.8
Jail	51,807 03	61,546 46	9,739 43	18.8
Superior Court, Civil Session....	233,250 49	330,486 67	97,236 18	41.0
Superior Court, Criminal Session.....	85,814 05	134,569 35	48,755 30	40.0
Probate Court.....	27,243 31	36,962 94	9,719 63	35.6
Registry of Deeds.....	50,725 51	62,977 08	12,251 57	24.0
Totals.....	\$534,387 38	\$717,836 81	\$183,449 43	34.0

The advance in county expenses is partly due to the growth of business caused by increase of wealth and population, and to a slight extent to the creation of the Juvenile Court and the extension of the probation system. It is also due in part to the influx of business from other counties. To the extent that increase in business has kept pace with

increase in cost of administration the latter is in great part justified. Beyond this point the increase is inexcusable.

Taking the county as a whole the cost of administration has increased much faster than the volume of county business, population or wealth. Taking the figures of the census years 1890 and 1905:

The population of Suffolk County shows an increase of . 34.5%
 The valuation shows an increase of 53.4%
 The general expenses (including penal institutions) . 86%

The expenses have increased nearly two and one-half times as fast as population, and one and two-thirds times as fast as wealth.

A comparison with other counties shows Suffolk to be an exceptional case. The table below includes all the counties in the State except Dukes and Nantucket Counties, these being so small as to be of no value for purposes of comparison. (In 1905 the population of Dukes was 4,551; of Nantucket 2,930.) In the calculation for the other counties all items are included which are included in the expenses of Suffolk County as stated below. Such items of expense in other counties as truant schools, county roads and bridges, salaries of County Commissioners, etc., which are not carried in the County of Suffolk account, have been eliminated on account of difference in conditions. County debt payments and interest and sinking fund requirements have also been excluded.

Percentage of Increase 1890 to 1905.

	Population.	Valuation.	Expense.
Eleven Counties	34.2	54.0	63.8
Suffolk County.....	34.5	53.4	86.0

This shows that while population and wealth have increased in eleven counties in practically equal ratio with Suffolk, the latter's increase in expenses has been much greater.

A comparison with the county next largest in population,

wealth and volume of business further emphasizes the criticism. The population of Middlesex County in 1905 was 608,499, of Suffolk, 652,362.

Percentage of Increase 1890 to 1905.

	Population.	Valuation.	Expense.
Middlesex.....	41.1	57.5	58.7
Suffolk.....	84.5	53.4	86.0

Middlesex has gained on Suffolk in increase of population and wealth, but Suffolk has rapidly outrun Middlesex in expenditures.

The item of expense in Suffolk County which has increased most is that of employees. The table below shows that, exclusive of the Penal Institutions and the Registry of Deeds, the number employed by the county has more than doubled, and the amount paid by it has nearly doubled in the last twelve years. In the last two years alone the pay-roll has increased \$55,000. The Registry of Deeds is not included in this table, as the salaries were paid from fees up to October 1, 1895.

DEPARTMENT.	1895.		1905.		1907.	
	Number of Employees.	Amount Paid.	Number of Employees.	Amount Paid.	Number of Employees.	Amount Paid.
County Buildings	52	\$45,660	89	\$69,390	94	\$71,854
Supreme Judicial Court.....	7	11,340	22	21,980	25	22,676
Superior Court:						
Civil.....	25	45,720	44	86,180	56	98,440
Criminal.....	7	14,200	12	24,380	18	32,620
Court Officers.....	35	57,100	54	86,200	65	104,900
Register of Probate and Insolvency.....	10	8,620	29	22,152	28	27,482
Municipal Court:						
Civil.....	11	14,900	14	19,900	13	16,000
Criminal.....	21	34,500	24	38,580	18	32,540
Municipal Courts, Districts.....	20	22,000	33	36,850	37	42,350
Registry of Deeds.....	.....	.....	40	33,450	49	40,950
Miscellaneous.....	9	11,200	12	13,000	12	12,000
Medical Examiners.....	3	8,666	4	9,366	3	8,666
Boston Juvenile Court.....	.....	.....	.....	.....	2	3,300
Totals	200	\$273,806	377	\$461,378	419	\$516,528

The facts herein presented make it clearly apparent that the cost of administration in Suffolk County is grossly excessive. The causes of the excess are not difficult to find. One cause, for which the county officials are not responsible, is that Boston, being the great business centre of the Commonwealth, is found to be the most convenient place in which to try cases. The result is that it has to bear an undue proportion of the expense of the total litigation which is carried on in the Commonwealth. The other causes may be summarized in the statement that the system of estimates and appropriations is crude; that there is no effective check on expenditures, and that favoritism, political and personal, has eaten into many of the county offices.

1. — System of estimates and appropriations.

The City Council makes an appropriation in a lump sum for all county expenses except the Penal Institutions Department, for which a separate appropriation is made. The city auditor, who is also auditor for the county, makes for the Council an estimate of the county requirements for the ensuing year, though not required by law to do so. Estimates are furnished him by the Sheriff, the Penal Institutions Commissioner and the Superintendent of Public Buildings, but as no other officials furnish him estimates, or even consult with him as to their needs, his estimate is necessarily based almost wholly upon the previous year's expenditures.

The City Council has the power to command the fullest information as to county expenditures and requirements, but its custom has been to make little or no investigation. The county officials are not required to appear and state the needs of their departments and do not, save in exceptional cases, or at the end of the year if a deficit is imminent. The result is that the appropriations are frequently exceeded. No reports of receipts and expenditures are made by the county officials to the County Commissioners, the City Council or any city official. A statement of the expenditures in gross appears in the report of the controller of county accounts, and a list of expenditures is printed in the city auditor's reports, but neither is in sufficient detail to give all the information required without further investigation, such as the scrutiny

of supply bills, the comparison of pay-rolls and the examination of county officials. No such thorough investigation has ever been made.

As there are no separate appropriations and no apportionments except for salaries, any county official might use the entire county fund available for supplies for those of his own office.

2. — There is no effective check on the increase of salaries and the creation of new places.

When additional amounts for clerk hire are authorized by the Board of Aldermen, even though needed only temporarily, they become in effect fixed annual appropriations, as the City Council in succeeding years invariably appropriates the authorized amounts. In this way the amount available for clerk hire is automatically increased from year to year. In a recent instance this evil was prevented by expressly limiting the appropriation to the particular year for which it was made.

New positions are created and salaries are increased by the Legislature, and additional amounts for clerk hire are authorized by the Board of Aldermen through the use of log rolling methods. Since January 1, 1904, the county expenses have been increased \$33,800 by special acts of the Legislature and \$18,402.23 by special orders of the Board of Aldermen — a total of \$82,202.23 (see Appendix A).

The looseness of the system has been a standing invitation to lavish expenditure, and to trades with members of the Board of Aldermen for positions for favorites in exchange for influence in behalf of additional appropriations. County officials have been threatened with reduction of appropriations if favorites were not appointed.

Under such circumstances, as the county appointments are not subject to the civil service rules, the question of the fitness of the prospective employees was probably treated as of secondary importance. The officials could have resisted such demands with greater success if they had the support of the civil service rules as a barrier to the appointment of the unfit. That the civil service rules have not been extended

to any of the counties is an extraordinary circumstance and another proof of the neglect by the public of county affairs.

The Commission's examination of Suffolk County appropriations and expenditures was made in order to give to the citizens of Boston an appreciation of the increasing cost of the present system, to point out some gross defects, and to lead the way to needed reforms. The examination has not been an exhaustive one, but enough has been accomplished to show the necessity of a radical change in the existing methods of financial administration. The citizens of Boston, who pay the entire bill of county expenses, must in self-defense demand some new agency for economy, as experience has demonstrated both the failure of existing agencies and the folly of hoping for improvement through their continued use. A system under which expenses have almost doubled in fifteen years is obviously one which should be abandoned at the earliest opportunity.

As the Commission will deal further with this subject, it reserves its recommendations as to the creation of agencies for the supervision and control of county administration, including the question of an equitable apportionment of county expenses between Boston, Chelsea, Revere and Winthrop.

At present it recommends:

1. That the county officers be required to submit seasonably printed reports of all receipts and expenditures, in detail, and a written estimate of the ensuing year's needs. A definite appropriation for each office should then be made, and a rule of apportionment for each month, or quarter, should be established, with penalties attached for exceeding either the appropriation or the apportionment. Some official should be required to furnish an estimate of the amount required for the Juvenile Court, the Land Court and the Police, District and Municipal Courts, and to purchase their supplies.

2. Supplies and printing should be obtained after competitive bidding, publicly advertised, and the statutes should be amended so as to fix the duty of advertising for bids.

3. All appointments should be made subject to the civil service laws.

4. The fees for recording in the Registry of Deeds should be increased so that the office would become self-supporting.

Respectfully submitted,

THE FINANCE COMMISSION,

by .

J. W. FARLEY,

Secretary.

APPENDIX A.

INCREASE IN COUNTY OF SUFFOLK EXPENSES BY STATUTES OR ORDERS OF BOARD OF ALDERMEN.

1904.	By Statute.	By Order of Board of Aldermen.	Totals.
Superior Court, Civil Session: Additional allowance for clerk hire.....	.....	\$1,235 00	\$1,235 00
Probate Court: Allowance for uniforms for messengers .....	.....	100 00	100 00
Municipal Court, Roxbury District: Probation officer increased from \$1,500 to \$1,800 per annum....	.....	300 00	300 00
Police Court, Chelsea: Clerical assistance.....	\$600 00	.....	600 00
Jail: Religious instruction.....	.....	1,200 00	1,200 00
	\$600 00	\$2,535 00	\$3,435 00

Increase in County of Suffolk Expenses. — Continued.

1905.	By Statute.	By Order of Board of Aldermen.	Totals.
Supreme Judicial Court: Additional allowance for clerk hire.....	.....	\$800 00	\$800 00
Superior Court, Civil Session: Assistant clerk. Emolument increased from \$3,000 to \$4,500 per year.....	\$1,500 00	500 74	3,000 74
Additional allowance for clerk hire.....	.....	1,000 00	500 00
Additional allowance for clerk hire for special examination of dockets <i>re</i> money on deposit.....	.....	500 00	500 00
Superior Court, Criminal Session: Additional allowance for clerk hire.....	.....	.....	1,200 00
Municipal Court, Criminal Session: Six officers increased from \$1,500 to \$1,700 per annum....	1,200 00	.....	1,000 00
Municipal Court, Roxbury District: Assistant probation officer appointed at \$1,000 per year.....	1,000 00	.....	1,200 00
Municipal Court, South Boston District: Assistant probation officer appointed at \$1,200 per year.....	1,200 00	.....	200 00
Municipal Court, West Roxbury District: Probation officer increased from \$1,000 to \$1,200 per year.....	.....	1,700 00	8,200 00
Miscellaneous expenses: Preparation, publishing and distributing records of Court of Assistants of Colony of Massachusetts.....	.....	8,200 00	\$12,000 74
Arranging and Indexing Early Court Files.....	\$4,900 00	.....	\$17,800 74
1906.	.....	.....	.....
Supreme Judicial Court: Additional allowance for clerk hire.....	.....	\$1,000 00	\$1,000 00
Superior Court, Civil Session: Additional allowance for clerk hire.....	.....	5,000 00	7,800 00
Assistant clerk appointed.....	\$9,500 00	300 00	.....
Messenger increased from \$1,700 to \$3,000 per annum.....	.....	.....	.....

Superior Court, Criminal Session:		
Probation officer appointed	1,800 00	
Stenographer appointed by District Attorney	1,200 00	
Clerk appointed by District Attorney	1,200 00	
Two assistant probation officers increased from \$1,500 to \$1,700 per annum	400 00	1,000 00
Additional allowance for clerk hire		
Probate Court:		
Messenger increased from \$1,500 to \$1,700 per annum	200 00	
Additional allowance for clerk hire		6,500 00
Municipal Court, Civil Session:		
Clerk increased from \$1,500 to \$1,800 per year	300 00	
Clerk increased from \$1,100 to \$1,500 per year	400 00	
Messenger increased from \$1,200 to \$1,700 per year	600 00	
Two officers increased from \$1,200 to \$1,500 per year		1,800 00
Municipal Court, Criminal Session:		
Clerk increased from \$1,800 to \$2,000 per year	200 00	
Two clerks increased from \$1,400 to \$1,600 per year	400 00	
Clerk increased from \$1,600 to \$1,800 per year	200 00	
Five probation officers increased from \$1,800 to \$2,000 per year	1,000 00	
Two probation officers increased from \$1,500 to \$1,700 per year	400 00	2,200 00
Municipal Court, Roxbury District:		
Justice increased from \$3,500 to \$4,000	500 00	
Clerk increased from \$2,100 to \$2,400	300 00	
Assistant clerk increased from \$1,400 to \$1,600	200 00	
Probation officer increased from \$1,800 to \$2,000		300 00
Assistant probation officer increased from \$1,000 to \$1,200		200 00
Boston Juvenile Court:		
Justice appointed at \$3,000	2,000 00	
Clerk appointed at \$1,500	1,500 00	
Probation officer at \$1,800	1,800 00	
Police Court, Chelsea:		
Justice increased from \$2,000 to \$2,500	500 00	
Clerk increased from \$1,200 to \$1,600	300 00	
Miscellaneous Expenses:		
Arranging and Indexing Early Court Files		7,700 00
	\$19,700 00	\$21,600 00
		\$41,300 00

Increase in County of Suffolk Expenses. — *Concluded.*

1907.	By Statute.	By Order of Board of Aldermen.	Totals.
Supreme Judicial Court: Additional order for clerk hire.....		\$700 00	\$700 00
Superior Court, Civil Session: Clerical assistance for November, 1907.....		2,866 49	2,866 49
Superior Court, Criminal Session: Officer in charge increased from \$1,700 to \$2,000 per annum. Additional order for clerk hire	\$300 00	500 00	800 00
Municipal Court, Criminal Session: Additional probation officer.....	1,000 00		1,000 00
East Boston District Court: Probation officer increased from \$1,000 to \$1,500 per annum. Court officer increased from \$1,100 to \$1,300 per annum. Clerical assistance increased from \$500 to \$700 per annum.....	200 00 200 00	500 00	900 00
Municipal Court, South Boston District: Two court officers increased from \$1,100 to \$1,300 per annum.....	400 00		400 00
Police Court, Chelsea: Probation officer increased from \$1,000 to \$1,500 per annum.....		500 00	500 00
Miscellaneous expenses: Arranging and indexing Early Court Files.....		6,000 00	6,000 00
	\$2,100 00	\$11,066 49	\$13,166 49
1908 to July 22.			
Municipal Court, Criminal Session: Clerical assistance for probation officers..... Sixth assistant clerk.....	\$1,000 00 1,600 00		\$3,600 00

Boston Juvenile Court:			
Additional probation officer.....	1,800 00		
Clerical assistance.....	900 00		2,700 00
Municipal Court, Roxbury District:			
Clerical assistance.....	600 00		600 00
Municipal Court, West Roxbury District:			
Clerical assistance.....	600 00		600 00
	\$6,500 00		\$6,500 00

Recapitulation.

	By Statute.	By Order of Board of Aldermen.	Totals.
1904	\$600 00	\$2,835 00	\$3,435 00
1905	4,900 00	12,900 74	17,800 74
1906	19,780 00	21,600 00	41,380 00
1907	2,100 00	11,066 49	13,166 49
1908 to July 23	6,500 00	.....	6,500 00
	\$33,800 00	\$48,402 23	\$82,202 23

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE OFFICE OF
THE REGISTER OF PROBATE.

BOSTON, September 1, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — The office of the Register of Probate is under the Constitution an elective one, the term is five years and the salary is \$5,000 a year. The duty of the Register is to record all wills, letters testamentary and of administration, and papers relating thereto; to keep a docket and an index of cases; and to do many other things required by statute.

The Judges of the Probate Court appoint the assistant registers and may remove them, and the appointment and removal of the Register's clerk are subject to their approval; all other employees of the office are appointed by the Register and subject to removal by him alone. The present office force is thirty-five in number and the pay-roll is \$42,112.

The Commonwealth receives all the fees of the office and pays the Judges of the Probate Court, the Register, the two assistant registers, the Register's clerk and six other employees. In all computations of expense made herein the salaries of the two judges are excluded, but all other expenses of the Court and Registry are included. The cost of maintaining the Probate Court and Registry, unless expenses are reduced, will be about \$56,000 a year, of which the Commonwealth will pay \$18,600.

The figures for 1890 and 1892-93, which are taken as the bases of the following calculations, are very favorable to the Probate Court and Registry, as they include the salaries and expenses incident to the transaction of insolvency business. The insolvency jurisdiction of the State Courts was taken away by the National Bankruptcy Act of 1898. After that date no new insolvency cases were entered in the State Courts, but the old cases were gradually disposed of. Notwithstanding the consequent diminution of business the expenses of the Probate Court and Registry have increased largely since 1898.

The amount expended by the Commonwealth and County combined in 1907 was \$51,954; in 1892 it was \$20,354; an increase of \$31,600, or 155 per cent. The Commonwealth in 1907 expended \$14,972; in 1892, \$9,009; an increase of 66 per cent. The amount expended by the county in 1907-08 was \$36,982; in 1892-93, \$11,345; an increase of \$25,637, or 225 per cent. In the last two years the expense to the county increased \$8,380, or 29 per cent.

The figures for the census years 1890 and 1905 show that expenses have increased much faster than the population and wealth of the county, and the business transacted in this office.

	Population.	Valuation.	County Expenses.	State and County Expenses.	Cases Entered
1905.....	652,362	\$1,306,348,976	\$28,602 83	\$42,594 06	3,583
1890.....	484,780	851,330,385	9,612 98	17,786 81	2,561
Increase in number and amount.....	167,582	\$455,018,644	\$18,989 85	\$24,807 27	979
Increase in per cent.,	34.5	53.4	197	139	38

Giving the office the benefit of the favorable assumption that the expense should increase in equal proportion to the increase in the number of cases entered, this table indicates extravagant management, as it shows that the expense to the county has increased five times, and the expense to state and county combined, three and two-thirds times as fast as the business of the office.

The bulk of the increased expenditures in Suffolk County is for employees. Exclusive of court officers \$41,583 was paid for salaries in the last year. In 1890 the amount paid was \$12,533. It has more than trebled in seventeen years, while the number of cases has increased from 2,561 to 3,704, or less than one-half. In Middlesex in the same period the number of cases increased from 2,122 to 3,529. In Suffolk in 1907 the salary cost of handling 3,704 cases was \$41,583; in Middlesex the salary cost of handling 3,529 cases was \$20,058. The salary cost per case in Suffolk was \$11.22; in Middlesex \$5.68. In the period between 1890 and 1907 in

Suffolk the increase in salaries was \$29,050, and the increase in the number of cases was 1,143; in Middlesex the increase in salaries was \$13,775, and in the number of cases 1,407. The extra salary cost per case for handling this increased business was in Suffolk \$25.41; in Middlesex \$9.78.

The conclusion seems irresistible that in the Suffolk Probate office the expense of administration is too great. The Register is of opinion that neither the number of employees nor the salaries are excessive. He states in support of this opinion that more papers are filed in each case in Suffolk than in other counties, and that much time is given to answering questions of a greater number of persons than would visit probate offices less accessible than the Boston office. It also appears that only the decrees are recorded in Middlesex, while petitions as well as decrees are recorded in Suffolk, but as the greater part of the petitions are printed in the record books and only the blanks filled in by the record clerks this difference is of no great consequence.

The Commission is of the opinion that none of these considerations, nor all combined, even if well founded, justify the increase in fifteen years of 225 per cent. in the county's payments for the support of the office.

The present Register is not responsible for this increase of expenditures, but he has not restored the former scale. He has accepted conditions substantially as he found them. The force has not been increased since December 2, 1907, when he assumed office. He appointed one clerk at \$600 per annum; but one clerk at \$1,800 has been discontinued. He has increased by \$120 per year the salary of a clerk fifteen years in the office. He has introduced the competitive system for the office supplies and printing, and has obtained considerably reduced rates. Some business has been awarded to the Municipal Printing Plant. The purchases are apparently made on a business basis, from the lowest bidders, and without favoritism. The accounts and books are well kept, the force is competent and the public is well served.

The only criticism that is made is that the cost of administration is excessive. The easy-going system of appropria-

tions has done much to build up these charges on the county. The Legislature has been complaisant and the Aldermen not over critical. In one instance in December, 1906, an extra allowance of \$6,500 for clerical assistance was asked for, and on the day on which the petition was presented in the Board it was passed, and this additional annual charge was thereby imposed upon the county. After an unsuccessful attempt to secure the immediate passage of the order by suspending the rules it was referred to the Committee on Public Improvements. The committee after a session not exceeding fourteen minutes, as shown by the records, reported the order favorably and it was passed immediately without debate. Most of this money was used in increasing the salaries of the employees of the office, — for only one new position was created in the following year, at \$780 per annum, while the payments for clerical service increased \$5,900. In the last ten years the Board of Aldermen, in four orders, have allowed \$12,100 for extra clerical assistance. The Legislature of 1908, by allowing \$2,000 extra for clerk hire and by providing for a second assistant register at \$2,500 per annum, increased the Commonwealth's contribution \$4,500.

The Commission recommends :

1. A reduction in the expenses for clerical services.
2. That the competitive system of securing supplies, already established, be extended by publicly advertising for bids.
3. That all appointments should be subject to the Civil Service Laws.
4. That the Register of Probate should submit to the appropriating body a printed report of receipts and expenditures, in detail, and a written estimate of the amounts required for the ensuing year.

Respectfully submitted,

THE FINANCE COMMISSION,

by

J. W. FARLEY,

Secretary.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE OFFICE OF
THE REGISTER OF DEEDS.

BOSTON, September 3, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN,—The office of the Register of Deeds is under the Constitution an elective one, the term is three years and the annual salary is \$6,000, of which \$1,000 is paid for his service as assistant recorder of the Land Court. It is his duty to receive and record all instruments of title to land in Suffolk County.

The Register has sole power to appoint and remove all the employees of the office except the assistant register, whom he may appoint and remove subject to the approval of the Superior Court. The force numbers fifty-two, including the Register and assistant register, and the pay-roll last year was \$44,425 exclusive of payments under contract for the work of indexing.

The county bears the entire expense of the office and receives all the fees. The latter have averaged about \$27,000 annually for the last ten years. The expenses of the office have increased rapidly in recent years. Up to October 1, 1895, the salaries were paid from fees, after which they were paid from the treasury, and therefore the earliest year for which the entire expenses of the office could be ascertained was 1896. In 1896-97 the expenses were \$41,451. In 1907-08 they had risen to \$62,977, an increase in eleven years of \$21,526, or 51 per cent., while the increase of business as measured by the fees received was only *five* per cent.

For the ten years beginning in 1897 the Suffolk Registry compares favorably as to cost of maintenance with the registry for the Southern District of Middlesex which does about the same amount of business. A comparison based

on the number of instruments recorded would be the best test, but, owing to the failure of the former Suffolk Register to keep such a record, this comparison cannot be made. The fees received are, however, a just measure of the amount of business transacted. In Suffolk in the ten years referred to the fees averaged \$27,107.08 and the expenditures averaged \$50,197.89. In Middlesex the fees averaged \$27,542.75 and the expenditures \$55,044.79. The comparison for 1907-08, however, is unfavorable to Suffolk. The fees in Middlesex for the calendar year 1907 were \$28,661.55 and the expenditures \$57,082.48, while in Suffolk for the fiscal year ending February 1, 1908, the fees were \$29,922.35 and the expenditures \$62,977.08.

In the last year the expenses of the Suffolk County office increased over the previous year \$12,678, or 25 per cent. Of this amount \$2,789 was expended for thirty-two typewriting machines. Various reasons in support of the entire increase are assigned by the Register, but in the opinion of the Commission some of the appointments were wholly unnecessary. The salaried force was augmented by the appointment of six clerks and an office boy, and the salaries of seven clerks were advanced, the increase in clerical expenses being at the rate of \$7,956 per annum. The force employed on a piece-work basis was enlarged and the amount paid for piece-work was increased. The total increase for clerk hire in the last year, including the indexing of plans, was \$9,410, or about 36 per cent. The work had not increased materially, as is shown by the fact that the fees in 1907-08 were \$29,922 as against \$29,881 in 1906-07, an increase of about one-seventh of one per cent. An increase of one-seventh of one per cent. in business clearly does not justify an increase of 36 per cent. in the pay-roll.

Since January 2, 1907, when the present Register began the performance of his duties, many improvements have been made in the service.

The records are now written by typewriter instead of pen and ink. Greater speed and legibility are thereby secured. Deeds are recorded with greater despatch than formerly, being returned to owners usually within a week. The record books

are promptly returned to the shelves by clerks and not left scattered about promiscuously as before. Receipts are required when unbound records are delivered for inspection. The indexes and record books have been rearranged in more convenient form.

Books are kept which show the supplies purchased, the cash received and the number of instruments recorded daily. The system of accounts is adequate and the books are well kept. All bills due the office have been collected, credits have been abolished, and fees are required to be paid when instruments are presented, except in case of the United States, the Commonwealth and the City of Boston. Fees are required in advance when copies are ordered and the waste incident to making copies which may never be called for has been stopped.

The income of the office has been increased through the operation of a law passed by the Legislature upon the petition of the present Register, which enables him to collect ten cents for indexing the name of each additional party to a deed other than a grantor and grantee and a husband or wife. The Register has established a fee of twenty-five cents for attesting marginal notes of the dissolution of attachments. He has also increased the fees for recording plans from fifty cents to one dollar.

A competitive system for the purchase of supplies has been established and a considerable reduction in prices has been effected. The Register states that during most of the time of his term of office the department has been undergoing a reorganization which has operated to increase the cost of administration and that he cannot maintain the office at less cost. The Commission is of opinion that the reorganization could have been effected without a material increase in expenses and that a reduction of the force could be made immediately without detriment to the service.

The necessity for a new system of estimates and appropriations has already been pointed out in the Commission's communication on the subject of county expenditures. It is particularly needed in connection with this office. The Register has almost unlimited power to increase his force, the only check being in the Board of Aldermen, to which the

pay-roll must be submitted for approval. This check has been of no value, however, as the pay-roll is submitted for work which apparently has been accomplished, and the Board of Aldermen has not seen fit in any case to repudiate the obligation.

The Register recommends an increase in the fees for recording and the Commission concurs in the recommendation. Roughly speaking, one-half of the expenses of the Registry of Deeds is borne by the county and one-half by the persons who use the office for recording their titles. The office is maintained for the purpose of affording security to private persons, and there is no reason why the direct beneficiaries should not bear the slight additional burden and thus relieve the county of the entire cost of administration. This result can be accomplished by reducing the expenses of the department without decreasing the efficiency of the force, meanwhile advancing the fees for recording. The ordinary fee for recording a deed is sixty-five cents, for a mortgage one dollar and twenty-five cents, both being inadequate.

The Commission recommends:

1. That the Legislature be petitioned for authority to increase the fees. If this new source of revenue is thus provided and the expenses of the office are reduced to the proper amount, from thirty to thirty-five thousand dollars annually will be saved.
2. That the expense for clerical service be reduced.
3. That the competitive system of securing supplies, already established, be extended by publicly advertising for bids.
4. That all appointments should be subject to the Civil Service Laws.
5. That the Register of Deeds should submit to the appropriating body a printed report of receipts and expenditures, in detail, and a written estimate of the amounts required for the ensuing year.

Respectfully submitted,

THE FINANCE COMMISSION,

by

J. W. FARLEY,

Secretary.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE OFFICE OF
THE CLERK OF THE SUPERIOR CIVIL
COURT.

Boston, September 5, 1906.

To the Honorable the Mayor and City Council :

GENTLEMEN, — This report covers the work of the office of the Clerk of the Superior Civil Court as distinguished from the work transacted in the court sessions. It does not include the assistant clerks, court stenographers and officers, who attend the court sessions ; nor the cost of court officers' uniforms, the summoning and paying of jurors and witnesses, and of auditors, masters and referees, and certain other incidentals, as all these items should be charged to the administration of the court rather than to the clerk's office.

The office of the clerk under the Constitution is an elective one, the term is five years and the salary is \$6,500 per annum. The clerk is required to receive all papers entered in the course of litigation, to keep a record of the cases in law and in equity and to keep books of account which shall record all fees and all other moneys received. He has sole power to appoint and to remove all employees in the office except the twelve assistant clerks and the ten court stenographers whose duties require regular attendance on the sessions of court, and who are appointed and subject to removal by the Judges of the Superior Court.

FORMER METHODS.

The present clerk entered upon the duties of his office on December 9, 1904. The conditions then existing were as follows:

The clerical force in the office was twenty-three in number and the salaries paid in 1904-05 were \$26,667. The employees were competent, but their duties were not clearly

defined, the work was not properly supervised, and the methods of administration were defective in important particulars. The stationery was not bought in bulk on bids for a year's supply but from time to time as needed. The printing was given to the Municipal Printing Plant and a private concern apparently without competition. The recording work had been neglected. The equity records for 1894, the law records for 1901 and the divorce records for 1900 were in process but not complete. On the records from 1895 to 1905 in equity, from 1901 to 1905 in law and from 1900 to 1905 in divorce no work had been done.

It was the practice to enter on the docket the money paid into court by litigants under the provisions of the statutes. It was deposited in the bank by the clerk and he gave receipts for the amounts paid; but in many cases no entry was made on the docket and in other cases, where entries were made, they were in such form as to render it impossible to tell whether the money had been repaid. As no book except the docket was kept which would show either the names of the parties paying, or the amounts, there was frequently no record to show to whom the money in the bank was due. When the present clerk assumed office there was on deposit in two banks \$81,679.55, and of this amount there was about \$45,000 belonging to unknown litigants whose claims, if presented, could not be verified or disproved by recourse to the records.

Money for certificates and copies was paid to any clerk who happened to be available, and no record was kept which furnished a means of checking up these receipts. No one person was assigned to cashier duty and made responsible for collections.

CHANGES EFFECTED.

The present clerk has made several changes. The office force has been increased from 23 to 34, and the salaries from \$26,677 in 1904-05 to \$34,532 in 1907-08. The work has been distributed on a new plan. One clerk has been placed in charge of the outer office and is held responsible by his superior for its management, and each employee has been given definite duties to perform.

The stationery for the office and the several sessions of the Superior Court is purchased upon requisitions signed by the clerk or the chief office clerk, and deliveries are checked up from a book in which such requisitions are recorded. The amount necessary for a year is estimated, and bids for the entire quantity of each kind are obtained without public advertisement.

The printing has been transferred to two private concerns. The clerk states that formerly he procured estimates from the Municipal Printing Plant, but that these were in such form that he could not compare them with estimates received from the four establishments which also submitted bids. The work is done promptly and well and at lower prices than was previously paid. The amount of printing done is more and the cost is less.

The records have been brought more nearly up to date. The equity records for 1894, 1895, 1896 and 1897, the divorce records for 1900, 1901 and 1902 and the law records for 1901, 1902 and 1903 have been completed; and the equity records for 1898 and 1899 are nearly finished. None of the records, however, are yet up to date.

Money paid into court is entered on the docket by the clerk personally, no subordinate being permitted to make such entries on the docket. It is entered in another book by a subordinate, and these entries are checked up one against the other. The amounts due and the parties who paid are easily ascertainable under this system. Of the \$45,000, title to which could not be traced on the records of the former clerk, all but about \$8,000 has been accounted for. This was accomplished largely by advertisements in newspapers and frequent interrogation of members of the bar. Some litigants, whose titles did not appear on the record, produced receipts signed by the former clerk and were paid. Others who had lost receipts and whose titles were doubtful on the records, have been required to petition the court and prove their claims in order to receive the money.

The money received for copies and certificates is paid to one clerk who acts as cashier and is held responsible for it.

The amounts are entered in a book and checked up with another record of the number of copies and certificates made. An increase in receipts of over 150 per cent. immediately followed this change. It is difficult to believe that there was such a phenomenal increase in the number of copies and certificates issued in the last three years over the three years immediately preceding. In the ten years prior to January 1, 1905, the receipts from this source were fairly uniform, the average amount being \$1,228.97 as against an average of \$2,443.85 in the last three years.

The following table shows the money turned over to the county from the sale of copies and certificates in the last six years :

1902 = \$970 15	}	Total for three years, \$2,901 80
1903 = 995 75		
1904 = 935 90		
1905 = 2,351 90	}	Total for three years, 7,331 55
1906 = 2,406 00		
1907 = 2,573 65		
Excess . . .		\$4,429 75 or 152%

Increase in 1905 over 1904 = \$1,416 or 151 per cent.

Bulletins are displayed in the office which give all verdicts and findings, the name of the case on trial in each session, notices of decisions of the Supreme Judicial Court and other useful information.

New indexes have been made of pending actions ; of commissions to take depositions ; of naturalization cases ; of all blanks and forms and of all bonds filed. The latter are no longer kept with the other papers in the case and the liability of loss is thus avoided.

Better forms of dockets have been adopted and an improved system of bookkeeping has been installed.

Records are kept of all orders for executions ; receipts are required when executions are delivered or papers are taken from the files for use in the sessions, and attorneys are no longer permitted to take papers from the office.

The results of these changes are a more scientific distribution of labor ; better discipline and higher efficiency in the force as a whole ; an adequate system of keeping books,

accounts and records; increased receipts; more economical methods of procuring supplies and printing; greater convenience to the bar, and an improved service to the public.

On the other hand there has been a large increase in the number and compensation of employees.

The following table show the changes:

	Number Employed.	Pay-roll, Year.	Average Salary.
June, 1908	34	\$34,800	\$1,023
November, 1904.....	23	27,070	1,177
Increase.....	11	7,730	
Increase per cent.....	47.8 per cent.	28 per cent.	

On July 1, 1908, one clerk at \$1,500, left the service, and his place has not been filled.

Twelve of the employees who were in the service before the present clerk assumed office, and whose salaries aggregated \$12,190, received increases in salary amounting to \$2,950 a year, or 24 per cent.

The clerk has made the following explanation of the changes in the force:

Of the six who have left the service four resigned voluntarily and two were discharged.

Of the seventeen new appointments, ten are recording clerks; two of the ten receive \$600, the others, \$720. The recording clerks who were first appointed received \$720, but the later appointees have been started at \$600, the clerk's original estimate of the value of the service having been revised by experience, but the eight who receive \$720 have not been reduced. Two file clerks receive \$1,020 each, whose duties are to attend the counter and receive and file papers. A record clerk who receives \$1,400, was placed in charge of record books and old files, but he has since exchanged places with the messenger. An office clerk who, in addition to general office duties, acts as cashier receives \$1,200. Two copyists receive \$600 and \$720 respectively. An office boy receives \$480. Six of the seventeen new appointees replaced others who had left the service.

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He states that the force is not too large and that the salaries are warranted by the character and responsibility of the duties performed.

COMMENT ON CLERK'S EXPLANATION.

Of the seventeen new appointees four were men. The following facts indicate that the selection of these four was influenced by political considerations. One of them is an ex-alderman, another is an ex-member of the legislature and a lieutenant of a noted political leader, and the two others have strong political backing. All are of the same political party as the clerk. The first two receive \$1,400 and \$1,200 respectively, and the latter \$1,020 each. This is more than is paid some of the earlier employees of the office who had training and experience, and who should have been preferred to inexperienced men for the higher paid positions. The salaries of three of these four appointees appear to be higher than the circumstances warrant.

No evidence has been received which would justify adverse comment on the appointment of the other thirteen employees. The appointment of the new assistant recording clerks seems to have been justified by the necessity of hastening the completion of the work in order to comply with the law.

Revised Laws, chapter 165, section 27 provides:

The justices of the several courts shall inspect the doings of the clerks from time to time, and shall see that the records are made up seasonably and kept in good order; and, if the records are left incomplete for more than six consecutive months, such neglect, unless caused by illness or casualty, shall be adjudged a forfeiture of the bond of the clerk.

It has already been shown that this work had previously been neglected.

INCREASE IN EXPENDITURES.

This office, like most county offices, has had a large and constant increase in expenditures, particularly in the item of clerical service. The clerk has taken a step in the right direction by establishing a low salary upon entrance to

employment; a further step would be taken if new appointments and increases of salary were made only when absolutely necessary. He states that when the work of recording is brought up to date he will reduce the recording force to its normal size. The following tables indicate the necessity of improving every opportunity for reform in this particular:

YEAR.	Receipts from Civil Entries.	Payments for Clerk-hire.
1902	\$20,814	\$22,660 81
1903	21,789	25,048 92
1904	20,532	26,677 89
1905	19,755	26,755 73
1906	19,671	31,688 42
1907	20,814	34,532 08

In the first three years the cost of clerical service increased 17 per cent. as against an apparent slight decrease in business as measured by the number of civil entries. In the last three years clerical expenses increased 29 per cent. against an increase in business of 5.36 per cent. An analysis of the last twelve years shows a constant and growing tendency to increase clerical expenses faster than the increase of business warrants.

YEAR.	Civil Entries.	Salaries.
1896	\$17,598	\$13,497 93
1897	19,653	13,216 85
1898	19,962	14,065 28
1899	20,094	15,405 44
1900	19,767	17,110 27
1901	20,766	19,032 47
1902	20,814	22,660 81
1903	21,789	25,048 92
1904	20,532	26,677 89
1905	19,755	26,755 73
1906	19,671	31,688 42
1907	20,814	34,532 08

Increase in business in 12 years = 18 per cent.

Increase in salaries in 12 years = 155 per cent.

In counties other than Suffolk the difference between the increase in expenses for clerk-hire and the growth of busi-

ness is far less. For example — between Suffolk and Middlesex, which does the next largest business the contrast is marked.

Middlesex Superior Civil Court.

YEAR.	Civil Entries.	Salaries.
1896.....	\$5,751	\$4,559 00
1897.....	5,676	4,177 50
1898.....	5,589	4,591 00
1899.....	5,451	4,286 00
1900.....	5,394	4,815 00
1901.....	5,919	5,585 00
1902.....	6,204	5,630 00
1903.....	6,429	5,200 00
1904.....	6,885	5,498 00
1905.....	7,368	6,020 00
1906.....	7,434	5,623 00
1907.....	7,575	6,135 36

Increase in business in 12 years = 31 per cent.

Increase in salaries in 12 years = 34.5 per cent.

After due allowance is made for differences in conditions the fact remains that the Suffolk office is by comparison extravagantly maintained.

The Commission recommends :

1. A reduction in the expenses for clerical service.
2. That the competitive system in procuring stationery and printing, which has been established by the present clerk should be maintained; but the circle of bidders for the printing, including the printing of exceptions, should be enlarged, by public advertisement. If the bid of a private concern and that of the Municipal Printing Department should be equal in amount, and these two bids should be lower than all others, the municipal plant ought to be given the preference. This should be the rule in all of the county offices.
3. That the statutes relating to payments of money into court should be amended so as to permit the clerk to turn the interest over to the treasurer for the use of the county, except when ordered by the Court to pay interest on the money to parties. At present there is no law which authorizes its use by the county and the clerk is obliged to leave in the bank all interest money

not ordered by the Court to be paid to litigants because no one is entitled to it.

4. That the employees of the office should be put under the laws relating to civil service and vacancies should be filled from the classified list. Vacancies in the higher grades, where exceptional training is required, such as assistant clerks who attend the court sessions, and court stenographers, should be filled after special examinations held by the Civil Service Commissioners.

5. That the clerk should submit to the appropriating body a printed report of receipts and expenditures in detail, and a written estimate of the amounts required for the ensuing year.

Respectfully submitted,

THE FINANCE COMMISSION,

by

J. W. FARLEY,

Secretary.

COMMUNICATION TO CHAIRMAN OF THE COMMITTEE OF THE BOARD OF ALDERMEN ON COUNTY ACCOUNTS RELATING TO THE REGISTRY OF DEEDS.

BOSTON, September 15, 1908.

ALDERMAN W. DUDLEY COTTON, JR.,

Chairman Committee on County Accounts:

DEAR SIR,—In reply to your favor of September 4, 1908, the Finance Commission instructs me to say that in its report of September 3, 1908, it stated that in the Registry of Deeds, during the eleven years ending February 1, 1908, the expenses of the office had increased from \$41,451 to \$62,977, an increase of \$21,526, or 51 per cent., while the increase of business was only 5 per cent., and that during the year 1907–1908 the increase over the preceding year in the salaried force was at the rate of \$7,956 per annum, the total increase for clerk-hire, including the indexing of plans, being \$9,410, or about 36 per cent., while the increase of business was about one-seventh of one per cent. The Commission stated that this insignificant increase in business did not justify an increase of 36 per cent. in the pay-roll.

The Commission sees no reason to change its opinion. No proprietor of a private business would feel justified in making such an increase. It is possible only under political conditions.

The Commission feels that the Register of Deeds is the proper person to make the necessary economies. It believes that he can do this without in any way impairing the efficiency of his office.

Respectfully yours,

J. W. FARLEY,

Secretary

The above was in response to the following letter from the Chairman of the Committee of the Board of Aldermen on County Accounts:

BOSTON, MASS., September, 4, 1908.

BOSTON FINANCE COMMISSION,
436 Tremont Building, Boston:

GENTLEMEN, — The monthly pay-roll of the Registry of Deeds is submitted to the Board of Aldermen, as County Commissioners, for approval under R. L. 1902, chapter 22, section 38. As you state in your report upon the expenditures of the Registry of Deeds, published in the morning newspapers, "This check has been of no value, however, as the pay-roll is submitted for work which apparently has been accomplished, and the Board of Aldermen has not seen fit in any case to repudiate the obligation." In this situation, the Committee on County Accounts, at a meeting held yesterday, September 3, voted unanimously to authorize me to present an order at the next meeting of the Board of Aldermen to the effect, "That said Board send a communication to the Register of Deeds, requesting that during the remainder of the year he do not send monthly pay-rolls for the approval of the Board which in the aggregate shall exceed a certain definite sum, said sum to be determined by the Finance Commission in conference with the Register." It is the opinion of the Committee that it is possible for you, in conference with the Register, to determine the amount which should be expended by the Register for clerk-hire from October 1 next, to the end of the present financial year, and that if the Register should be notified of this amount, it should be possible for him so to regulate his monthly pay-rolls that in the aggregate they should not exceed the sum fixed by you. The Board of Aldermen would then feel more justified in disapproving any pay-roll which might seem excessive.

Will you kindly determine, and let me know, the amount which in your judgment should be expended by the Register of Deeds for clerk-hire from October 1 next to the end of the present financial year. An early reply to this letter will be much appreciated, as it may be desirable to call the Committee on County Accounts together again before the next meeting of the Board of Aldermen, which is set for September 14 next.

Respectfully yours,

W. DUDLEY COTTON, JR.,
Chairman Committee on County Accounts.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL RELATING TO THE AUDITING DEPARTMENT.

Boston, November 5, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — Under date of October 24, 1907, the Commission submitted a report relating principally to the Collecting Department, but incidentally calling attention to certain contrasts between that department and the Auditing and Treasury Departments, and recommending large reductions in the annual expenditures of the Collecting Department. Under date of July 31, 1908, the Commission submitted a report on the number of persons employed and salaries paid by the Treasury Department. In completion of its examination into the financial departments of the city government the Commission now submits a report on the expenditures of the Auditing Department.

The expenditures of this department from 1885 to 1908 are shown in the following table:

1885-86 . . .	\$20,571 62	1897-98 . . .	\$35,644 05
1886-87 . . .	22,998 87	1898-99 . . .	39,498 10
1887-88 . . .	23,717 59	1899-1900 . . .	40,700 00
1888-89 . . .	23,816 11	1900-01 . . .	43,245 87
1889-90 . . .	24,044 65	1901-02 . . .	42,633 42
1890-91 . . .	25,518 25	1902-03 . . .	44,994 85
1891-92 (9 months),	20,163 91	1903-04 . . .	45,500 00
1892-93 . . .	27,200 00	1904-05 . . .	44,753 71
1893-94 . . .	28,700 00	1905-06 . . .	42,261 68
1894-95 . . .	28,843 62	1906-07 . . .	41,394 71
1895-96 . . .	29,700 00	1907-08 . . .	41,460 90
1896-97 . . .	31,677 67		

The appropriation for the current year, 1908-09 was \$41,000.

Taking the years which have been used in previous reports for purposes of comparison, namely, 1895-96 and 1907-08, it will be seen that the expenditures of the department increased during this period of twelve years by \$11,760 or 39 per cent.

The Auditor estimates the increase of work during this period, as measured by the number of bills and vouchers (excluding pay-rolls), special drafts, deposits with the Collector, interest payments, bonds exchanged and contracts filed at about 23 per cent.

The work of the department is done well, and there has been no increase in employees and salaries for political purposes.

The quick and accurate responses made to the almost daily requests of the Commission for information from this department indicate a general state of efficiency. The annual reports while containing some duplication of material found in other reports, and although capable of improvement, are on the whole admirable general statements of the financial operations of the city.

The Commission finds much to commend and little to criticise in the administration of this department. It believes, however, that the salaries paid in some instances are excessive and should be reduced.

The department is in charge of an auditor, and he has an office force consisting of an assistant auditor, thirteen clerks and one messenger.

THE CITY AUDITOR.

The Auditor receives a salary of \$6,000 from the City of Boston, \$700 from the Sinking Funds Commission for acting as secretary of that body, and \$800 from Suffolk County for acting as county auditor, a total of \$7,500 per annum. Considering the responsibility of the office and the high standard of conduct of its affairs maintained by the present incumbent, the Commission does not think the salary of \$7,500 excessive, but suggests that the ordinances and appropriations be so framed as to charge the whole salary to one position, that of City Auditor.

THE ASSISTANT AUDITOR. (Salary, \$3,600.)

The duties of this position are responsible and exacting. He keeps the books containing the final accounts of the city and county, and has at all times general charge of the office and clerks. He acts as auditor in the absence of that officer, and is, therefore, required to be thoroughly familiar with the city's finances and the laws and ordinances relating thereto. He has grown up in the service, having been employed in the department twenty-six years. In view of the responsibilities and duties of this position, the Commission recommends no change in the salary of this officer.

THE BOND AND INTEREST CLERK. (Salary, \$3,000.)

He makes detailed examination and record of all bond issues, transfers and registrations, satisfies himself that they are correct as to form and authority, and checks up with the Treasurer all interest payments and sinking fund computations and transactions. He has some other small items of work especially assigned to him, and writes and foots up the general draft. His duties vary from those involving great responsibility to mere routine work. This position should command not more than \$2,500, but as the present incumbent has been in the department for twenty-six years, the Commission feels that a reduction to \$2,800 would be sufficient.

THE REMAINING CLERKS.

The remaining clerks may be divided into two classes. The work of those in one class varies in character from that involving some special and original labor requiring judgment and experience to routine work like the examination of bills, pay-rolls, etc. The salaries paid, ranging from \$2,700 to \$1,600 per annum, are materially more than are given for similar service in State or private employment. The salaries for these positions should start at \$900 and run to a maximum of not over \$1,800 per year, this maximum to be reached step by step and after reasonable length of service. For the other class, which includes a clerk doing indexing, filing, etc., and another who acts as messenger in addition to other

ordinary office duties, a maximum salary of \$900 is adequate compensation for the service required.

EXTRA ALLOWANCES.

It has been the practice of the department, when the appropriation will permit, to give additional allowances to the clerks at certain seasons of the year. Last year these allowances aggregated \$1,850. This practice should be discontinued.

Taking the length of service of many of the employees of this department into account, the Commission recommends the following readjustment of salaries, which should apply only to the present incumbents. In case of new appointments the salaries should be further reduced:

	Present Salaries.	Salaries Recommended.	Saving.
Bond and interest clerk	\$3,000	\$2,800	\$200
Pay-roll clerk	2,700	2,500	200
Sub-division clerk	2,400	2,200	200
Three general clerks	5,300	4,700	600
Six general clerks	12,200	11,600	600
One messenger	1,300	900	400
One clerk (no change)	1,100	—	—
			<hr/> \$2,200

With these changes and the omission of the allowance before mentioned, the net saving in the department will approximate \$4,000 and the appropriation for the coming year may thus be reduced to \$37,000.

The Commission renews its recommendation that all clerks taken into the service in this or any department should begin at the lower round of the ladder and gradually advance. Promotion should be earned not by virtue of length of service alone, but by interest in and attention to the work. Permanent tenure should follow faithful performance. Under these conditions and with the salaries named herein as maxi-

mun for the various positions, the Commission believes that for these places the city will always find proper applicants.

The work of the department, as its name implies, is that of auditing only. The Auditor, in passing upon a bill or demand, seems to be under no obligation to examine into the essential facts, the ordinance merely requiring that he shall see that the bills have been properly incurred and approved by some person duly authorized; that they are in exact accordance with such authority, that the clerical computations are correct and that there are on hand funds appropriated for said purpose sufficient for the payment of such demand or bill. He is not obliged to verify by independent investigation the statements made in a bill, as to quantity, quality, value, or as to whether the goods were delivered, the services rendered, the work done, or a contract fulfilled; in short, he is not obliged to inquire whether the city has received value for its payment. The present Auditor with commendable zeal has frequently exercised the authority and this has resulted in a substantial saving of money to the city; but, owing to the great demands upon his time, doubt as to his authority and lack of facilities, he has not been able to do this uniformly, and in consequence, without any fault of his, the interests of the city have suffered.

The power of independent investigation of the various departments should be lodged in some officer or a board entirely free from political influences. The Commission has this matter under consideration and will report thereon before the end of the year.

It has been brought to the attention of the Commission that at least four of the employees of the department make a practice of assigning their pay and are heavily involved financially. The Commission in its communication of October 4, 1907, called attention to and condemned the practice of the assignment of pay by city employees, but the practice still flourishes in many departments. The Commission believes that in a department involving large financial responsibility this practice is especially dangerous. Employees should be notified that it will no longer be tolerated, and if they persist in offending after reasonable notice they should be

discharged. The ordinances distinctly state that "every officer in charge of a department shall prevent the assignment of wages by persons employed in his department." This provision should be enforced in all the departments. Its violation has a demoralizing effect throughout the service, and jeopardizes the financial interests of the city.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL AS TO THE RELATIONS BETWEEN THE CITY OF BOSTON, THE CITY OF CHELSEA AND THE TOWNS OF REVERE AND WINTHROP.

Boston, November 6, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — The relations between the City of Boston, the City of Chelsea and the Towns of Revere and Winthrop, which together constitute the County of Suffolk, are anomalous.

Boston became a city in 1822. On the same day, February 23, 1822, of the approval of the act establishing the City of Boston, an act was approved providing that Chelsea should continue to be a part of the County of Suffolk for all purposes relating to the administration of justice, but that it should not be liable to taxation for any county purposes until the Legislature should otherwise order.

By chapter 65 of the Acts of 1831, it was provided that Chelsea should release to Boston all interest in the real and personal estate of the County of Suffolk, and the exclusive care, management, jurisdiction and regulation of the court houses, jails, house of correction and other county lands, buildings and establishments; that Boston might at any time apply to the Legislature for any alteration in the laws establishing and regulating county, municipal or police courts, or respecting the administration of justice without any objection from Chelsea, provided that some court or courts within the City of Boston should always have a jurisdiction carefully defined in the statute over Chelsea and its inhabitants; and that Chelsea might apply to the Legislature at any time to be set off from Suffolk County without opposition from Boston. The act was to continue for twenty years "and afterwards until altered by the Legislature," unless

Chelsea should in the meantime apply to the Legislature and be set off as aforesaid. This act was accepted by Chelsea, and it has always been regarded as forming a contract between Boston, Chelsea, Revere and Winthrop, the last two being then parts of Chelsea.

There is, however, no provision in this act requiring Boston to maintain a court in Chelsea. The court or courts called for are to be "within said City of Boston."

In 1855 (chapter 26) a police court was established for the Town of Chelsea, and it was provided that the judge's compensation should be paid from the fees received both in civil and criminal cases, except that if the fees in criminal cases exceeded \$700 per annum, the excess should be paid to the County of Suffolk.

By a later act of the same year (chapter 477), the court was to be held "at some suitable and convenient place to be provided at the expense of the Town of Chelsea."

Under this law Chelsea provides and heats the rooms for the court in its own municipal building, but it pays nothing else.

Under Revised Laws, chapter 20, section 6, each county is required at its own expense to provide suitable accommodations for district and police courts in the cities and towns in which they are required to be held, and may erect or hire suitable buildings, or rooms, and furnish the same, provide for the heating and care thereof, and do all other things incidental thereto.

Under section 7 of the same chapter Boston is required to provide the public buildings necessary for the County of Suffolk and to "pay all county charges" with certain exceptions.

This has been interpreted as requiring Boston to pay all the expenses of the Chelsea Police Court not met by fees (except the rooms and heating), including janitor, constables' services, stationery, printing, telephone, furniture, electric lighting, ice, witness fees and the judge's salary (which is no longer contingent upon fees).

During the last five years Boston has paid on account of the Chelsea Police Court the following amounts:

1903-04	\$9,400 99
1904-05	9,801 26
1905-06	10,274 56
1906-07	10,796 71
1907-08	11,118 47

Revere is under the jurisdiction of the Chelsea Police Court and Winthrop under that of the East Boston District Court.

Boston also pays for the maintenance at the jail or at Deer Island of prisoners sentenced from Chelsea, Revere and Winthrop at a cost of not less than \$10,000 per annum which, added to the expense of the Chelsea Police Court and the expense of the East Boston District Court for cases coming from Winthrop, makes a total of over \$20,000 for which Boston gets no return.

Under the provisions of the Revised Laws, chapter 221, section 2, fines in police and district courts go to the city or town in which the offence is committed. Therefore, the Chelsea Police Court pays to the City of Chelsea all fines for offences committed in Chelsea and to the Town of Revere for those committed in Revere; and the East Boston District Court pays to Winthrop fines for offences committed in that town.

It is the duty of a court in fixing a fine to consider the expenses of prosecution. These expenses are paid by Boston, but being embodied in the fine are not repaid to her. Strangely enough, if an appeal is taken to the Superior Court, and the fine is there imposed, it is lost to Chelsea, Revere or Winthrop, and under the law is paid to the Collector of the City of Boston. Thus general laws made to operate in counties where all the cities and towns contribute towards county expenses work inequality and injustice in Suffolk.

Under the provisions of this law there have been paid in fines as follows:

	To Chelsea.	To Revere.	To Winthrop.
1903.....	\$4,405 55	\$1,875 50	
1904.....	4,448 87	1,348 00	\$650 01
1905.....	4,736 80	1,639 30	205 00
1906.....	4,330 80	1,847 60	300 00
1907.....	3,556 22	1,467 70	460 00

While Chelsea, as stated above, provides and heats the court rooms in its own municipal building, neither Revere nor Winthrop makes any contribution of any kind.

It is difficult to see any justification for this situation. If the arrangement stood as made over seventy-five years ago it might be fair, but it clearly is not fair to-day, and as by the express provision of the statutes it is to continue only until "the Legislature shall otherwise order," and as the right is reserved to apply to the Legislature "without objection from Chelsea," it seems high time to make the application. It is unfortunate that this discussion should arise in the time of that city's disaster, but there seems to be no reason why Chelsea, Revere and Winthrop, which receive the benefits of county administration, should not bear their share of the expense. They certainly ought not to be allowed to make a profit, as they do now, by the receipt of fines.

Boston should receive from Chelsea, Revere and Winthrop, their share, based on valuation, of the actual cost of county administration.

The Commission recommends that this matter be called to the attention of the Corporation Counsel and that a petition be presented to the next Legislature in season to protect the city's rights.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE ASSESSING
DEPARTMENT.

Boston, November 7, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — The Finance Commission submits the following report on the Assessing Department:

The department consists of 9 principal assessors, 46 first assistant assessors, 46 second assistant assessors, and clerks varying in number during the year from about 18 to about 55. The maximum number of persons employed in the department at any one time is about 154. Neither first nor second assistant assessors are employed throughout the year. Each class of assistant assessors under the law must be equally divided between the two principal political parties.

The principal assessors are appointed by the Mayor for terms of three years, subject to confirmation by the Board of Aldermen. Each receives a salary of \$4,000 a year, with \$500 extra for the chairman and \$200 extra for the secretary. Each principal is in charge of a section of the city. With the first assistant assessors they compose a dooming board of fifty-five members, which determines the assessments of personal estates amounting to \$5,000 or more. The principal assessors review the statements of personal property submitted under oath and pass on all claims for abatement. Prior to 1901 their remuneration was \$3,000, the extra salaries paid the chairman and the secretary being the same then as now.

Instead of a full board of nine assessors, only seven now hold office, two vacancies not having been filled. In a former communication this Commission recommended that the board be reduced to five members. Unless the size of the board is reduced by law or ordinance, there will be constant political pressure to have the present vacancies filled.

The first assistant assessors are appointed by the principal assessors for terms of three years, subject to confirmation by the Mayor. Each receives \$1,000 a year, apportioned as follows by the principal assessors:

- \$400 for street work from May 1 to June 15.
- 400 for dooming board attendance from June 15 to August 15.
- 75 for being subject to call until October 1.
- 100 for being subject to call one day a week in October, November and December.
- 25 for being subject to call January 1 to May 1.

\$1,000

Prior to 1901 their salaries amounted to \$721 per annum.

The business or employment of the first assistant assessors as given in the Boston Directory or in the tax books is as follows:

Real estate or insurance	17	Milk cans, stoves, etc.	1
Assessors	4	Stationer	1
Clerks	4	Men's and ladies' furnish-	
Provisions	2	ing goods	1
Salesmen	2	Lawyer	1
Cutters	2	Japanner	1
Notary public	1	Cigar manufacturer	1
Trustee	1	Wholesale coal	1
Agent	1	Journalist	1
Painter	1	Druggist	1
Manager	1		—
Plumber	1		46

The second assistant assessors are appointed annually, subject to confirmation by the Mayor. They receive \$200 each for their services from May 1 to June 15. Few men of ability are in a position thus to dispose of their time for forty days, and the practice has been to reward the Mayor's adherents in both political parties with appointments as second assistants.

The business or employment of the second assistant assessors is as follows:

Real estate	7	Iron moulder	1
Clerks	11	Collector	1
Barbers	3	Contractor	1
Plumbers	2	Printer	1
Salesmen	2	Lumber surveyor	1
Lawyers	2	Foreman machine shop	1
Musician	1	Stenographer	1
Chocolate maker	1	Cigars	1
Advertising agent	1	Grocer	1
Hatter	1	Notary	1
Jeweler	1	Painter	1
Agent	1		—
Telegrapher	1		46
Secretary	1		

Of the maximum number of about fifty-five clerks only ten are permanent salaried officials, of whom four or five are employed on special work, such as assessments for sewers or betterments, national bank tax, etc. Most of the clerks in the department are not employed throughout the year and are paid on a per diem or per item basis.

The following table gives the cost of maintenance of the department from 1895-96 to 1907-08, inclusive, as well as the number of single poll bills, the number of persons assessed for property in the same years, together with the number of property-tax bills since 1901-02, prior to which year no record was published:

	Cost of Maintenance.	Persons, Firms and Others Assessed on Property.	Property- Tax Bills.	Single Poll Bills.
1895-96	\$138,522 39	52,167		124,283
1896-97	148,743 43	55,159		131,554
1897-98	149,781 58	56,733		137,056
1898-99	152,692 37	58,004		139,784
1899-1900	153,500 00	58,890		143,799
1900-01	163,495 73	60,291		148,747
1901-02	185,927 31	60,758	69,045	153,559
1902-03	200,029 63	62,103	69,481	153,604
1903-04	179,236 83	62,414	70,474	160,947
1904-05	180,479 97	61,577	71,242	163,207
1905-06	183,211 87	62,400	71,655	164,974
1906-07	186,987 21	62,666	72,894	165,295
1907-08	190,720 34	62,385	72,748	166,631
1908-09	175,000 00	(appropriation)		

From 1895-96 to 1902-03 the expenses increased \$61,507.24, or 44 per cent. During this period the single poll bills increased 29,321, or $23\frac{1}{2}$ per cent., and the number of persons assessed for property increased by 9,936, or 19 per cent. From 1899-1900 to 1902-03 the expenses increased \$46,529, or almost 30 per cent., due largely to increases in salaries. In the same period the poll taxes increased in number less than 7 per cent. and property assessments only about 5 per cent.

In 1903 the Police Listing Bill (chapter 279, Acts of 1903) went into operation, relieving this department of considerable work, and, in consequence, the cost of the department dropped in 1903-04 from \$200,029.63 to \$179,236.83, or about \$21,000.

The reduction was short lived. Since 1903-04 the expenses have increased \$11,483.51, or $6\frac{2}{3}$ per cent., while the number of single polls has increased during these four years $3\frac{1}{2}$ per cent., the number of property bills has increased only $3\frac{1}{2}$ per cent. and the number of persons, firms, etc., assessed for property has actually *decreased*.

During the ten years previous to 1908 the cost of clerk hire in the department increased from \$60,771.60 to \$87,954.77, or 44.7 per cent. The total pay-roll of the department increased from \$129,216.60 to \$181,755.19, or 40.66 per cent. Meanwhile, the number of polls increased from 161,939 to 185,060, or 14.27 per cent.; of persons assessed for property from 56,733 to 62,385, or 9.96 per cent.; of tax bills from 207,465 to 239,379, or 15.38 per cent. While there have been certain additions to the duties of the department, the increase of cost has been entirely out of proportion to the increase of business.

There have been no important changes in the department methods for many years. Every year groups of three—a first assistant, a second assistant and a clerk, who carries the street book and makes entries therein—canvass the city. The law (section 15, chapter 11 of the Revised Statutes), as interpreted by the department, requires two assistant assessors of different political parties to visit every building to assess poll taxes. No effort has been made to change this law, though the Police Listing Act, which went into operation

in 1903, removed the necessity for bi-partisan visits. There is here both duplication of work and an excessive number of men for the purpose.

Having finished the original entries in the street books, the department next prepares its data for fixing the tax rate, which is usually published about August 15. During this period an effort is made to transfer all items, without regard to their importance, from a geographical to an alphabetical arrangement, skeleton tax books having first been prepared for this purpose, and the poll taxes being treated with the same minuteness and urgency as the large property tax assessments. The items in the tax books are then copied again twice, once in the tax bills and once in the list, called a "manuscript," sent with the bills to the Collector.

The Commission believes that the congestion of work in the six months from May 1 to November 1, particularly from June 15, when the street work is completed, to the time when the tax bills are sent to the Collector, may be relieved, notwithstanding the assurance of the secretary that practical perfection has been reached.

The assessed valuation of taxable property in the city is \$1,317,662,338; the total tax levy is \$22,013,921.39; while the amount assessed for polls is only \$374,332. The work in connection with property taxes is necessarily complicated, and it is important that it should be done intelligently and accurately, while the work of assessing and recording polls is comparatively simple, involving no mathematical computations, and in determining the tax rate it is only necessary to count the number of polls assessed. Yet, during the period of greatest pressure, when the clerks work at times fourteen hours a day, including Sundays and holidays, on per item work, approximately one-half the entries made by them in the tax books are for poll taxes, and all the work is paid for at high rates.

All the items on poll-tax bills and coupons are printed, except names, residences and two numbers, indicating page and line in the street book, which are written by hand. All items are copied by hand into the Collector's manuscript and into the tax books.

For the many stages of copying and recopying the amounts paid the clerks are extravagantly large. From May 1 to November 1, 1907, the clerks engaged on both street and office work earned on the average \$8.30 a day, including Sundays and holidays, one clerk averaging \$12.10, another \$12.64, a third \$14. During 1907 several clerks received more than \$2,400 annually, one earning \$2,476 in ten months, and another \$2,655 in nine months. Though some of this work was difficult, the greater part of it was mere copying, and for such work the prices paid were indefensible.

All the single poll-tax names are again copied upon cards which are then sorted in alphabetical order and recopied into large volumes called the "consolidated manuscript." It is an open question whether these volumes simplify sufficiently the information contained in the tax books regarding property tax payers to justify this part of the work of preparing them. So far as poll taxes are concerned, the department maintains that the volumes are essential to overseers of the poor and to hospital and State aid authorities in tracing settlement claims. But so many individuals bear the same name that, without further identification, the volumes are practically useless for this purpose. The Commission found in various instances, the same name repeated over 200 times, one name with only a change of the middle initial nearly 400. Addresses are needed to identify such duplicated names, and these are to be found only in the tax books. The expense of this additional copying of single poll items of \$2 each is \$3,665 annually.

By the time the work is finished the names of the 166,631 persons assessed only for a poll tax have been copied seven times, making a grand total of 1,166,417 items as follows: (1) into the street book, (2) into the tax books, (3) upon the bills, (4) upon the Collector's manuscript, (5) upon cards, (6) into the consolidated manuscript, (7) upon the coupons in the Collector's office. Four of these seven repetitions can be easily eliminated, namely, numbers 4, 5, 6 and 7, as explained in detail later. This would save the drudgery and expense of writing 666,524 times such simple items as "John Smith, 3 Boylston St.," or "John Smith, \$2," or "John Smith, 3 Boylston St., \$2."

Two elementary business principles, viz., simplicity and economy, are ignored by paying such high rates for simple copying and by needless handling, particularly unfortunate in a department in which the work is inevitably congested at one season of the year.

After all the copying and other work done on the single polls from one-half to three-fourths of the persons from whom these poll taxes are due escape paying them. An analysis of these archaic methods and unnecessary expenditures discloses the startling fact that (omitting such poll taxes as are collected automatically, because included in bills of persons who pay other taxes) the poll-tax receipts in Boston have been less than the cost of their assessment and collection.

An expert accountant, employed by this Commission, who has made a thorough examination of the department, estimates that one-half the salaries of the first assistant assessors, one-half of the cost of the clerks engaged in street work at per diem rates, and all the salaries of the second assistant assessors, are properly chargeable to the assessing of poll taxes.

On the basis of the estimates made by this expert from the figures of 1907 the expenses for assessing all poll taxes were as follows:

Canvassing:

First assistant assessors	\$21,966 66
Second assistant assessors	*13,890 00
Clerical work	5,325 30

Entries in books:

Tax-book skeletons, chargeable to poll taxes,	625 00
Tax books, single poll items	6,665 24
Bills, single poll items	2,499 46
Collector's manuscript, single poll items	2,499 46
Polls, when real estate or personal taxes or both are included	1,001 78
Writing poll-tax entries on cards	1,299 58
Reading back these cards	335 00

* The cost in 1908 will be less, because the pay of the second assistant assessors has been reduced from \$6 to \$5 a day, and they are employed for a shorter period, making a reduction from \$13,890 to \$9,200 in this item.

Sorting cards alphabetically	\$2,029 33
Other clerical assistance (supervisor of ward clerks, proportion of salaries in main office, etc.)	6,347 57
Printing, postage, stationery, interpreters, carriage hire, etc., chargeable to poll taxes	5,231 70
	<hr/>
	\$69,716 08

About 18,000 poll taxes are assessed in conjunction with property taxes. The cost of assessing these 18,000 poll taxes is comparatively slight and will not reduce the net cost of assessing single poll taxes below \$65,000 on the basis of the 1907 figures.

To this cost of assessing single poll taxes should be added the cost of collecting them. Attached to the bills are blank coupons, which are filled out in the Collector's department. The bills are then delivered by hand throughout the city by the deputy collectors; but, though delivered in this costly manner, no demand for payment is made at that time. After January 1 of each year a summons is delivered by hand to those persons whose poll taxes remain unpaid.

The Statistics Department (Document No. 100 of 1908) estimates the cost of collecting poll taxes in 1906-07 as approximately \$50,000, and the cost of both assessing and collecting as \$108,443.19. Other experts have estimated for this Commission the cost of assessing poll taxes as high as \$104,402.97, and of collecting them \$90,149.30, a total estimated cost for both of \$194,552.27, but the Commission believes this to be excessive. Its own estimate is \$65,000 for assessing and \$50,000 for collecting, or \$115,000 for both.

For six years, from 1900 to 1905, inclusive, the average annual collection of poll taxes was \$102,455. Of this sum approximately \$36,000 was collected from about 18,000 persons paying also a property tax, leaving average annual receipts of about \$66,500 from single poll-tax bills. If, as the Commission believes, it cost the city \$115,000 for assessing and collecting single poll taxes, there was an actual loss of

\$48,500 a year in the transaction during these years. In 1906-07 and 1907-08 a special effort was made to collect not only the poll taxes assessed in those years but for several previous years. Yet even in those years the receipts from single poll taxes were only \$142,131 and \$122,600, an average of \$132,365.50, or \$17,365.50 in each year more than the estimated normal cost of assessing and collecting them.

In the first of these years the total expenditures of the Collecting Department increased over the previous year only \$55.64. In the second year, however, the expenditures increased \$24,884. The Collector claimed that this increase was due almost entirely to the collection of poll taxes. If this is true, the net result of his efforts was to make the cost in that year of assessing and collecting single poll taxes approximately \$17,284 greater than the receipts.

In Boston, as pointed out in the communication of this Commission of October 24, 1907, the percentage of poll taxes collected in 1905-06 was only 26.3 per cent., which in 1906-07 was raised to 48.5 per cent.

The following table shows poll-tax collections reported to the Commission from various cities and towns taken at random:

Taunton	90%	Worcester	90%
Haverhill	89%	New Bedford	73%
Cambridge	75%	Springfield	88%
Somerville	88%	Malden	80%
Fall River	86%	Plymouth	90%
Brockton	90%	Acton	97%
Newton	98%	Great Barrington	95%
Chelsea	80%	Marion	93%
Holyoke	70%	Bridgewater	95%

If these communities can collect so large a proportion of their poll taxes, Boston ought not to be content with its present showing.

A factor not to be disregarded is the demoralization which accompanies the wholesale evasion of the poll tax responsibility. The law which requires them to be paid is annually broken with impunity by tens of thousands of voters. The penalty is arrest, but arrests are practically never made.

Considering the results obtained, the cost of the system of assessing poll taxes has been grossly excessive. For this the law is partly responsible, but the department is also responsible to a large extent. It has not sought to reduce the cost, but has viewed the unnecessary duplication of effort and the resulting waste of money with entire complacency.

In addition to the cost of the Assessing Department the police listing costs the city \$26,850.89 for printing, clerical work, interpreters, etc. The officers take the names without extra compensation. The assessors maintain that the police overlook many residents, but as against this it should be noted that there are 12,000 more names on the police lists than on the assessors' lists. The fact that the police are hurried in their work, the law requiring that it be done in the first seven week days of May, does not justify duplication of the work by the Assessing Department with its forty-six traveling groups of three persons each. If it is necessary to check the police listing, some system of coöperation between the two departments should be provided by law.

The following new methods and economies should be introduced:

The law compelling two assessors of different political parties to make the canvass should be repealed. This would result in a saving of all the salaries of the second assistant assessors, which in 1908 amount to	\$9,200 00
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The poll-tax bills and their coupons should be made out at one operation by manifolding on the typewriter, bills being copied directly from the street books. Single poll-tax books and single poll-tax collector's manuscript should be copied on the typewriter at one operation from the poll-tax bills and the entry of single poll-tax items in the consolidated manuscript should be discontinued. The Commission has reason to believe that this work can be done for \$2,500 a year, in eight-hour week days, between August 15 and October 1, whereas it now costs, according to the estimates made by this Commission, \$15,950, or a saving annually of	13,450 00
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The cost of real estate ward books should be reduced by adopting a form of register similar to that used by the Real Estate Exchange. Such a register would not need rewriting more than once in five years, during which period the comparisons would add to the value of the books. The saving would be	\$3,100 00
The position of Supervisor of Clerks, created in 1907, but admitted by the department to be unnecessary, should be abolished, saving	2,400 00
The extravagant per item prices paid clerks for noting in the street books real estate transfers reported by the department clerks in the Registry of Deeds, should be reduced one-half, saving,	1,200 00
A carbon copy to report the national bank tax to the State authorities should be used, saving	450 00
The duplicate records of gypsy-moth assessments should be made at one operation, saving	600 00
The number of principals should be reduced to five, as recommended by this Commission in its communication of February 29, 1908, to the Mayor and City Council, saving	18,500 00
	<hr/>
	\$48,900 00
	<hr/>

The Commission has reason to believe that a still further reduction could be effected if much of the clerical work now done under pressure at high rates should be done by lower-priced labor with the aid of typewriting machines. The experience of the assessing departments of New York and other large cities in the use of such machines shows that they may be employed successfully on the more elaborate books and documents as well as on those dealing only with poll taxes. Moreover, in the busy season clerks will not have to work more than eight hours a day, and the necessity of working on holidays and Sundays will be avoided.

A considerable saving would also result in the Collecting Department by the adoption of the methods here suggested, especially those in regard to separating single poll-tax assessing from property tax assessing, and the use of typewriting machines. The Collector would be relieved from making out

the coupons on the bills at a very busy season of the year. He could also send the single poll-tax bills promptly by mail in "outlook" envelopes, as already recommended by this Commission in its communication of October 24, 1907, thereby saving the extra expense of delivery by hand and its attendant delay.

This delay is serious, as many property bills are not delivered until nearly November 1, the date when interest begins, and many poll-tax bills are not delivered until after that time. With the adoption of a proper system in both departments there is no reason why all bills, both property and polls, should not be in the hands of the taxpayers by the first day of October.

The City Collector has called attention to the fact that the Assessing Department has of late years discontinued the useful custom of putting all items due on each estate on one bill, and the Commission thinks that this custom should be resumed in the interest of convenience to the taxpayer and economy to the city.

At least one-quarter of the \$50,000 a year estimated to be the cost of collecting poll taxes can be saved if the Assessing and Collecting Departments adopt the methods herein recommended. If this saving of \$12,500 is effected, the total savings here advised would amount to \$61,400 per year.

The wasteful methods of the department may be in part attributed to defective organization of their own work by the principal assessors. Under the present composition of the board, the secretary is the executive officer. His associates, instead of overseeing his work and advising him with regard to improvements, confine themselves to assessing without any sense of executive responsibility. The execution of an antiquated scheme has, as a consequence, continued long after wise and constructive study should have suggested remedies. The board should maintain responsible oversight of the executive work in the department, to the end that modern and economical methods may be introduced.

RECOMMENDATIONS.

This Commission recommends:

(1.) That a system be devised whereby some of the duplication of the work of assessing polls and of police listing be avoided.

(2.) That the making of records and bills in connection with single poll taxes be separated from the work connected with the assessing of property.

(3.) That the single poll-tax bills be made from the original records, by typewriter, both bill and stub being written in one operation by manifolding process. As the bills are written they should be sorted by letters, later sorted by sub-division of letters, and, from the bills thus sorted, poll-tax books and poll-tax collector's manuscripts should be written by typewriter at one operation.

(4.) That the consolidated manuscript be abolished, so far, at least, as single poll-tax items are concerned.

(5.) That the laws be changed so that it will be no longer necessary to send two assessors of opposite political parties to each house to assess polls, and that the positions of second assistant assessors be abolished.

(6.) That less expensive help be employed on single poll-tax work.

(7.) That bills for single poll taxes be sent by mail in "outlook" envelopes.

(8.) That the payment of poll taxes be more vigorously enforced.

(9.) That real estate books similar to those of the Boston Real Estate Exchange be adopted, and that the entries therein be made by typewriter, and thus greater legibility be secured.

(10.) That the appropriation for 1908 shall not exceed \$135,000, out of which \$9,200 should be saved, if the law can be so changed as to make it possible to abolish the positions of the second assistant assessors before their services are required in May.

(11.) The Commission renews its recommendation of February 28, 1908, that the number of principal assessors be reduced from nine to five, and that their salaries be reduced to \$3,500 each, with \$500 extra for the chairman and \$200 extra for the secretary.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL RELATING TO THE LAWS AFFECTING THE CITY OF BOSTON ENACTED BY THE LEGISLATURE OF 1908.

Boston, November 10, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — The Finance Commission submits the following memorandum of the laws affecting the City of Boston enacted by the Legislature of 1908 at the suggestion or upon the recommendation of the Commission. The numerical references are to the printed proceedings of the Commission.

LOANS FOR SEWER CONSTRUCTION.

The Commission recommended (pp. 152, 198, 247) that the laws prohibiting the construction of sewers except out of money borrowed outside the debt limit be repealed, and that the city be permitted to construct sewers out of money raised by taxation or from loans inside the debt limit.

Chapter 204 and chapter 514 of the Acts of 1908 cover these recommendations.

CITY CONTRACTS.

The Commission recommended (pp. 97, 204, 295) that the provisions of Revised Laws, chapter 210, section 9, be made applicable to members of the City Council and of the State Legislature, and that all city contracts in which such persons are interested be void.

Chapter 522 of the Acts of 1908 gives effect to this recommendation in so far as members of the City Council, heads of departments, and city or county employees are concerned.

POWERS OF THE MAYOR.

The Commission recommended (p. 205) that the Mayor be given the power to reduce, as well as to disapprove in their entirety, any items in an appropriation or loan bill, and be given the same power to veto appropriations for the County of Suffolk that he has to veto appropriations for the city.

Chapter 292 of the Acts of 1908 accomplishes these objects.

POWERS OF THE CIVIL SERVICE COMMISSION.

The Commission recommended (pp. 192, 205) that all pay-rolls be certified by the State Civil Service Commission before payment.

Chapter 210 of the Acts of 1908 was passed to accomplish this end. It has since been modified by chapter 587 of the Acts of 1908.

THE INSANE HOSPITAL.

The Commission recommended (pp. 136, 205) that this hospital be taken over by the Commonwealth upon equitable terms of purchase.

Chapter 613 of the Acts of 1908 provides that this hospital shall be taken by the Commonwealth, and that the city shall receive the damages sustained by the taking as determined by the State Board of Insanity (subject to the approval of the Governor and Council) and the Mayor and Trustees of the Insane Hospital, or in default of such agreement, by commissioners to be appointed by the Superior Court.

POWERS OF THE FINANCE COMMISSION.

The Commission suggested (p. 239) to the legislative Committee on Metropolitan Affairs that if the investigating power of the Commission was to be more certain and effective, additional legislation was desirable.

Chapter 562, passed in compliance with this suggestion, defines the powers of the Commission and provides that it shall report its findings and recommendations to the General Court as a basis for future legislation relating to the government of the city.

Copies of these acts are herewith submitted,* and the Commission trusts that the attention of the heads of departments will be called to the same.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

* These acts may be found in the Acts and Resolves for 1908.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL RELATING TO CERTAIN CONTRACT METHODS.

Boston, November 14, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — For the reasons stated in its report of November 21, 1907, the Finance Commission has given much attention to the methods under which contracts for supplies and work have been let, and to the effect of these methods upon the finances of the city. (See pp. 77–98, 121, 123, 153, 193, 202, 205, 215, 221, 229, 254–258 and 277.) Silent partnerships between members of the City Council and persons having contractual relations with the city and the effect of this practice have also been considered. (See pp. 97, 204 and 295.)

In its investigation of these subjects the Commission held several public hearings. The results have not hitherto been formally reported.

The Commission now submits a report of the substantial facts elicited at these hearings, and its recommendations respecting the letting of contracts and the purchase of supplies.

1. THE MAYOR'S COAL INVESTIGATION IN FEBRUARY, 1906.

Early in 1906 the then Acting Superintendent of Streets, under instructions from the Mayor, engaged an expert accountant to investigate the various divisions of the Street Department, among them the Sewer Division. In a report, dated February 10, 1906, this accountant stated that while the cost of pumping at the Calf Pasture Pumping Station had increased 22 per cent. since 1902, there was a substantial loss of efficiency in the coal purchased; that the percentage of ash and clinkers had been very high, reaching 15.33 per cent.

in 1905; that on the coal then being used it was running even higher; that he had been informed by the engineer of the largest corporation in the city that in no case, even when this corporation bought admittedly cheap coal, did the percentage run as high as the lowest shown at the Calf Pasture; that the coal called for by the city's contract was Georges Creek Cumberland, one of the high standard bituminous coals; that there were no bills of lading, thus making it impossible to determine the point of shipment; that this absence of bills of lading might have some bearing on the question of whether or not the coal called for by the contract was delivered; that fires from spontaneous combustion had been frequent, necessitating expense and destroying the efficiency of large quantities of coal; that he could learn of no effort having been made to determine the relative values of coal furnished, the practice being to use whatever was delivered; and that he was of the opinion that in this item a saving might be made of at least \$10,000. The report recommended a change in the form of contract, and that provision be made for the proper testing of each shipment received and the determination of its value.

This report disclosed a state of affairs so serious that it was brought at once to the Mayor's attention.

Beginning with the year 1897 there had been a marked increase in the percentage of ash and clinker, and consequently a decrease in the quality of the coal used at the pumping station. The figures since 1890 are as follows:

YEAR.	Percentage of Ash and Clinker.	YEAR.	Percentage of Ash and Clinker.
1891.....	9.9	1899.....	13.2
1892.....	9.0	1900.....	15.9
1893.....	10.8	1901.....	11.7
1894.....	8.1	1902.....	14.5
1895.....	8.9	1903.....	15.6
1896.....	10.9	1904.....	15.3
1897.....	8.1	1905.....	15.2
1898.....	11.7	1906.....	16.8

About eighteen months had elapsed between the date of this report and the organization of this Commission, yet except for securing an inadequate rebate on one cargo of coal and the discharge of a few subordinates, there had been absolute neglect of the city's interest. No protecting change had been made in the form of contract, no bills of lading were required, no system of tests was established. Instead, the Mayor had placed at the head of the Supply Department a political friend, whose unfitness for the position is shown by the following extract from his evidence at a public hearing:

- Q. Did you know anything about coal? A. Not a thing.
 Q. Did you know how to test it? A. No.
 Q. Did you know whether a test could be made? A. No.
 Q. What difference would it make whether you bought Georges Creek coal, New River coal, or other coal?
 A. I don't know.
 Q. Did you ever see a bill of lading? A. Never.

The appointment of such a man to such an office was an abuse of executive power. His subsequent resignation during the investigation was a reflection, not so much upon him, as upon the Mayor who appointed him.

2. THE CONTRACTS WITH THE NIVER COAL COMPANY.

The contractor who had been delivering this inferior coal was the W. K. Niver Company, represented in this city by Maurice H. Klous. His company had contracts for the delivery of coal both for the Pumping Station and for the Ferry Division. No new contracts were made with him for the Pumping Station; but he was allowed to complete his existing contract there and at the ferries, and six new contracts were made through him for several thousand tons of coal for use at the ferries, and nearly \$70,000 was paid on account thereof in spite of constant complaints respecting the quality of the coal. Of these new contracts (all of which were over \$2,000 in amount) five were made with the Mayor's consent without advertisement, and without competitive bids, and the other, although advertised and apparently subject to competition, was awarded without real competition to the same delin-

quent dealer. The figures named by other bidders were based upon the expectation that they would be obliged to deliver the grade of coal called for by the contract, whereas the W. K. Niver Company, having learned through previous experience that the city's practice was "to use whatever was sent," could safely underbid the market. In many instances an inferior quality of Pennsylvania coal was substituted for, and falsely described in the bills of lading as Georges Creek, the coal called for by the contract. Klous in a letter sent from Boston to New York cautioned his principal to bill this false substitute as Georges Creek coal.

In 1905 from a barge sailing from Philadelphia with 1,450 tons of coal a delivery to the City of Boston of 1,540 tons was claimed by the Niver Company, or 90 tons more than the barge contained. From another barge which sailed from Philadelphia with 1,435 tons a delivery to the city was claimed of 1,544 tons, or an excess of 109 tons. In another case a delivery to the city was claimed of 99 tons more than the barge contained; in another about 160 tons. In each instance Klous, representing the Niver Company, specifically requested the Boston agent of the barge to instruct the captain not to show to the city authorities the bill of lading, which, if shown, would have revealed the fraud. Thus there seems to have been not an accidental and occasional, but a systematic and intentional false delivery and overcharge of coal, for all of which the city paid in full.

Indictments, which are still pending, have been found against Klous by the grand jury. The Receiver of the W. K. Niver Company has paid the city \$875 for its loss on the contract in which he was interested.

3. THE CONTRACTS WITH HATFIELD AND HILLES.

In October, 1906, another contractor appeared in the person of one Corr, representing the firm of Hatfield & Hilles of Philadelphia. This firm had previously supplied coal to the city under contracts taken in the name of a local stevedore named Kiley. At this time they made a bid and secured a contract in their own names for 10,000 tons of coal to be delivered at the Pumping Station. The Superintendent of

Supplies testified that he had not known Corr until about the time when he made his bid, that Corr introduced himself, that he had never met either Hatfield or Hilles, and that he knew nothing about them or their standing, except that from "general conversation" with persons whom he could not name he understood "that they were a reliable concern and would deliver good coal for the City of Boston." The contract was awarded after public advertisement, but although there were lower bids from several responsible bidders, most of whom had places of business in Boston, they were passed over and the contract was given to these strangers from Philadelphia, who had no resident agent, and no place of business here. No adequate excuse was offered for ignoring the lower bidders. The only explanation given was not even plausible, viz., that Hatfield & Hilles had made their bid in the alternative, offering a coal called "Buffalo Creek, Georges Creek" at \$3.74, or New River at \$3.85, the average being \$3.79½, which was less than the \$3.81 of the next bidder. There was, however, nothing in the bid or in the contract which gave the city the benefit of any such average, and as a matter of fact it was never used. Moreover, even this average was higher than some of the other bids. The excuse, therefore, was a subterfuge.

F. C. Dowd, of Boston, representing a New York concern, bid for genuine Georges Creek Big Vein coal \$3.68, which was 11½ cents per ton lower than this fictitious average price, and 17 cents per ton lower than the Hatfield & Hilles bid for New River coal. Dowd deposited with his bid a certified check for \$500, and was prepared to furnish the bond called for by the contract. In making his bid, he used this language, which is here quoted because it clearly sets forth a suspicion then general as to the honesty of the city's methods of purchase.

We assume that the City of Boston, profiting by her experience with substitutes under past administrations, is willing to pay a fair price for good coal, and that the specifications in the published notice are to be understood in their exact and literal sense. Our proposition, therefore, is to be taken as meeting the specifications in detail,

and is as follows: We will furnish 10,000 gross tons genuine Big Vein Georges Creek coal mined in Maryland delivered in bins as stated in said notice at the following price, viz., \$3.68 per gross ton.

There could be no mistaking this bid. Nevertheless it was ignored. Dowd thereupon wrote to the Superintendent of Supplies this warning:

The City of Boston, through the influence of Mr. Kiley, has had an experience with coal furnished by Messrs. Hatfield & Hilles under former administrations. Mr. Kiley is familiar with the facts and the quality is familiar to the city employees who had to use the coal. I do not understand why the present administration should have to give them further favors. It will be a very simple matter to find out whether the coal comes from Newport News, as all New River coal must come from, or whether the shipments are of Georges Creek, Buffalo Creek from other ports.

Dowd enclosed a copy of this letter in a special letter to the Mayor as follows:

Boston, October 23, 1906.

HON. JOHN F. FITZGERALD, *Mayor of Boston*:

MY DEAR SIR, — I enclose herewith a copy of my letter to M. J. Mitchell, Superintendent of Supplies, protesting against an award on 10,000 tons of coal for the Calf Pasture Pumping Station.

You know what the experience of the city has been with coal and Mr. Mitchell's notice called for two definite grades, but the firm he favors by his award as stated in his letter to me did not meet the specifications on the kind of "Georges Creek" called for by the city in submitting its bid.

This is not a case calling for bids on Georges Creek "or equivalent" as under other administrations and a bid on any but the exact grade called for has no right to be considered either as an alternative or otherwise.

I hope you will give this matter your personal attention as I am slow to believe that you will allow any officer of the city under your jurisdiction to make such a poor bargain for the City of Boston.

Very respectfully yours,

(Signed) F. C. Dowd,
Agent Atlas Coal Co., New York.

The receipt of this letter was acknowledged by the Mayor's clerk as follows:

The Mayor directs me to say that the conclusion with reference to the letting of the coal contract was arrived at by Mr. Mitchell only after a great deal of consideration and that he has a great deal of confidence in Mr. Mitchell's ability and feels that it is his desire to obtain the best possible conditions for the city.

This correspondence did not take place until after the contract was awarded; but it pointed out clearly the danger to which the city was exposed, and the sure means of detecting the substitution of other coal for New River. Newport News is the only port from which it is possible commercially to ship genuine New River coal. Coal from any other point is at once subject to suspicion, as probably not genuine New River.

The first deliveries by Hatfield & Hilles under this contract were small quantities, aggregating about 540 tons, of Georges Creek coal bought in Boston. Next came a lot of 134 tons of genuine New River coal, also bought in Boston. This was good coal, but so far as the Commission could learn was the only New River coal ever delivered under the contract. Yet in all cases the coal was billed and charged as New River at the price named in the contract, viz., \$3.85. The evidence before the Commission showed conclusively that some of the coal delivered and billed as New River coal came from Bayard, W. Va.; some from points in Pennsylvania; that of 10,000 tons, 9,866 tons were not New River coal, and that all but the 674 tons was inferior in quality and of lower value than New River coal.

The first delivery (after the small deliveries of Georges Creek and New River coal, above described as bought in Boston) was made late in November and early in December, 1906. It came on the barge Ashland from Port Richmond, Penn. (which is the Philadelphia shipping point for coal), and consisted of about 1,485 tons, a part of which was Weymouth coal shipped from Martins Branch, Penn., a part coming from Bayard, W. Va. Complaints were at once made by

the city employees of the quality of this coal, the ash test showing as high as 17 per cent.

The next cargo delivered was on the barge Franklin, also from Port Richmond, of about 1,500 tons, a part of which came from Bayard, W. Va., and a part from Avis, Penn.

Hatfield & Hilles insisted that the coal they had delivered was New River. Those representing the city knew, or ought to have known, that coal showing 17 per cent. ash and shipped from Port Richmond could not be New River coal. It was but a short time since Dowd's warning that substitution of inferior coal would be attempted, and his statement that New River coal came only from Newport News. An inspection of the bill of lading would have at once revealed the truth. Yet no one representing the city resorted to this simple method of detecting this deception. No rebate was obtained and the bills, made out as New River coal at the contract price, were, except the last, paid in full.

The Superintendent of Sewers made no adequate explanation of his failure to protect the city's rights. He knew of the complaints, knew that the coal was bad, called the Mayor's attention to the fact, and at the Mayor's suggestion sent for the contractors, but did nothing further, except to approve the bills and thereby authorize payment. He got no redress for the city. He stated that he "had in mind" a law suit, but he did not consult the Law Department or anybody else, made no preparation of evidence, demanded no bills of lading, made no inquiries as to the shipping points, made no proper tests, preserved no samples of coal, and continued to receive and approve payment for further deliveries through March, April, and as late as July and August, 1907. He gave as an excuse that the complaints were first made in December, when it was practically impossible to buy New River coal in the market, and that as he must keep his plant running, he was at the mercy of the contractor. However plausible this excuse may sound for December, it can hardly hold good for the whole year.

The City Charter, as amended by chapter 268 of the Acts of 1885, distinctly provides that all officers and boards "shall be at all times accountable for the proper discharge of their

duties to the Mayor, as the chief executive officer, whose duty it shall be to secure the honest, efficient and economical conduct of the entire executive and administrative business of the city." After the warning contained in the expert's report and in Dowd's letter it was the Mayor's clear duty personally to watch the proceedings under this contract and see that there was an honest fulfillment thereof.

An indictment has been found by the Grand Jury against Hilles and is still pending. The rights of the city will be determined in a civil action now in the courts.

4. THE DEALINGS WITH DANIEL DOHERTY.

Prior to 1906 certain of the Hospital Departments had bought small lots of coal from a dealer named Daniel Doherty. During 1906 and 1907 he had the practical monopoly of selling coal without competition to most of the Public Institutions Departments. He also obtained one contract with the Supply Department, after public advertisement and upon competitive bids. In several instances he failed to deliver the coal called for by his contract, substituting inferior and lower priced coal.

Early in 1906 he secured from the Penal Institutions Department several orders for coal, and from April 17, 1906, to February 19, 1907, five contracts without competition, aggregating 5,200 tons. These contracts varied, calling sometimes for Pocahontas, sometimes for Georges Creek and sometimes for New River coal, or for all three, but never for any other kind. These are all coals of the highest grade, and in each instance the best of its kind was specified. Apparently Doherty lived up to his contracts at first, so far as the kind was concerned, but the coal delivered was not the best of its kind, the ash tests running very high, sometimes rising beyond 14 per cent. and once reaching 15.2 per cent. On May 11, 1907, he began to deliver substitute coals. On that date, on a contract calling for Pocahontas, Georges Creek or New River coal, he substituted an entirely different coal, called Quemahoning. Although this may be, and often is, good coal, its commercial value is considerably less than the kinds named in the contract. Thereafter he delivered Quema-

honing coal and one lot of Clearfield, Penn., coal, all in direct violation of the letter of his contract. It is significant that the ash test began to rise and that at one time it reached the extraordinary figure of 20.4 per cent. In each case he billed this coal as Cumberland coal, although none came from the Cumberland district, and he did not call written attention to the fact of the substitution. He says that he told the Penal Institutions Commissioner of what he was doing and that the Commissioner assented thereto. But the Commissioner stated positively that Doherty did not inform him of the substitution, and that had he known the truth he would not have approved the bills. Whoever is right, the city's interests were not cared for. The Commissioner gave no satisfactory explanation of his failure to advertise for bids, or of giving the contracts without competition. In no case prior to the hearings of this Commission was Doherty asked to or did he make any rebate. At the hearings the Penal Institutions Commissioner expressed his intention of demanding a rebate, and later he obtained one of \$243.89.

Quemahoning coal was also delivered to the Pauper Institutions by Doherty as a substitute for New River coal, and this at a time of the year when there could be no excuse for a failure to deliver the genuine article, if he had seasonably prepared himself for carrying out his contract. On June 7, 1907, he obtained from the Trustees of the Pauper Institutions, without competition, a contract to deliver at Long Island 1,700 tons of New River coal of the best quality. On July 3 he delivered 260 tons of New River coal. The balance of his delivery was Quemahoning. He did not at the time inform the Trustees of this substitution, but when he sent in his bill he attached thereto the bill of lading which showed that the coal was Quemahoning. While technically this might be considered notice, yet frankness would have required him to have called the attention of the Trustees to the substitution, obtained their consent, and arranged for a rebate. The Trustees did not discover the substitution until the investigation of the Commission called their attention to the fact. They then obtained a rebate of 25 cents a ton, amounting to \$381.71.

At the Insane Hospital, Doherty for about ten years had had practically a monopoly of the sale of coal; and this not upon contracts, but upon small orders given from time to time as the coal might be needed. Prior to 1898 the coal had been purchased on yearly contracts, let after public advertisement, but since then, with some exceptions at the time of the coal strike, no one but Doherty had had a chance. Occasionally the Trustees would inquire of other dealers as to prices, but only to find out whether Doherty's prices were within the market, and never with any serious intention of giving the order to anybody else. Knowing that the law required that all contracts amounting to \$2,000 or over must be advertised, and bids thereon invited, unless the Mayor agreed otherwise, knowing also that their coal requirements for the year were about \$25,000, they deliberately arranged to give orders in such a way that the bills in each month would come just under \$2,000. As this was impossible for all months, bills were at times held back until succeeding months. When asked if this was done that the statute law might be evaded, the chairman answered that it was done that the law might be "complied with."

5. THE RESPONSIBILITY OF THE CITY AUTHORITIES FOR THE LOSSES SUSTAINED IN THE FOREGOING CONTRACTS FOR COAL.

That the city officials did not protect the city's interests is apparent.

These transactions in coal show a complete and deliberate abandonment of the competitive system of awarding contracts which the Legislature intended should be followed except in cases of emergency. This has been accomplished in three ways:

First, by dispensing with all pretence of competition by securing the written approval of the Mayor on insufficient grounds.

Secondly, by advertising for bids and then awarding to other than the lowest bidder.

Thirdly, by giving the contract to the lowest bidder under circumstances which should have warned intelligent and

honest officials of the bidder's intention to substitute for the quality of coal named in the contract a grade distinctly inferior.

The only possible result of this abandonment of honest competition has been shown by the evidence to be indifference, gross negligence and fraud, for the existence of which the city authorities cannot escape responsibility.

6. STONE-CRUSHING CONTRACTS.

In its report of March 2, 1908, upon the city's stone-crushing operations, the Commission pointed out that as a result the city had lost about one million dollars in twelve years, and, showed that a large portion of this loss was due to the fact that many employees who performed little or no work were carried upon the pay-rolls for political purposes. (See pp. 211-215 of the printed proceedings of the Commission.)

Early in 1906 the Mayor was advised by the engineer of the Street Department to discontinue the city crushing plants, and the loss to the city from this cause in that year and 1907, estimated by the Commission at \$179,000 (p. 212), could have been avoided if the Mayor had taken this advice. Some of the reasons for his failure to do so were disclosed at a public hearing held by the Commission in March, 1908.

A. *The Welch Contracts.*

It appeared that Thomas F. Welch, a contractor, owned a ledge on Grove street, West Roxbury, from which, under a contract made in April, 1901, he had supplied the city with crushed stone delivered at the crusher for 90 cents a ton. On October 2, 1906, with the approval of the Mayor, a contract was awarded to Welch, without competition, under which he was to furnish the city with crushed stone delivered at the crusher for \$1.25 per ton, or 35 cents per ton more than under the prior contract. As shown in the former report of the Commission (p. 212), the city would have had no difficulty at this time in procuring from private contractors in open competition as good a quality of stone for not over \$1.10 a ton f. o. b. cars in Boston.

Welch delivered to the city under this contract 5,384 tons, for which the city paid him \$6,730, or \$1,884.40 more than if the rate had been kept down to 90 cents a ton, and \$808 above the cost of the stone if bought f. o. b. cars.

This unnecessary contract was followed the next year by another which was even more improvident. On April 2, 1907, a contract was awarded, with the Mayor's approval, to Welch without competition under which the city agreed, at a cost to it of several thousand dollars, to transfer a crusher from a ledge known as the Kenney ledge, a distance of about seven miles, to the Welch lot at Grove street; to supply a sworn weigher; to pay \$1.25 per ton for all stone crushed and 70 cents per ton for all stripping; to supply oil and fuel; and to pay the established rates for teams employed to remove and store on the premises the crushed stone when the bins were filled. Though the contract did not require the city to make repairs, the city nevertheless made them at its own expense. Under the contract of the preceding year Welch had quarried the rock, excavated and disposed of the stripping, supplied fuel and oil, made repairs and had done the required teaming for storage at his own expense, — all for \$1.25 per ton of stone at the crusher. Under the contract of April 2, 1907, the city received 9,399 tons, which, including the charges for stripping, teaming, fuel, oil and repairs, cost \$1.80 per ton, or 55 cents per ton more than under the contract of 1906 and 90 cents more than under the contract of 1901. The loss to the city on this contract was about \$8,500, besides at least \$5,000 for moving the crusher.

B. The O'Connell Contract.

The contracts for the operation of the city's plant at Columbia road were equally indefensible from a business standpoint. On May 2, 1906, a contract was awarded without competition, and with the approval of the Mayor, to Dennis F. O'Connell, a general contractor, under which he was to operate the crusher at Columbia road and receive 70 cents for each ton of 2,000 pounds of stone or stripping taken from the ledge, to be furnished three men at \$2.00 a day for feeding the crusher, and to be allowed the established rates for men and teams in

the storing of stone on the lot whenever the bins were filled. The total output under this contract was 32,459.67 tons of stone, 25,674.8 tons of stripping and 38.9 tons of "stumps," a total of 58,173.37 tons, for which O'Connell was paid \$40,721.36, and in addition for labor and teams \$2,505.23, and a small charge, \$161.58, a total of \$43,388.17. The city also paid for extra labor \$5,890.78, and to the lessors of the land, on which the crushing plant stood, \$3,915.96, making its total payments \$53,194.91. An additional charge was made by the lessors for 380.56 tons of stone, which brought the total stone charged to the city up to 32,830.23 tons, and the cost to \$1.62 per ton. If the city had purchased this quantity of stone under contract in open competition, it could have saved at least 52 cents a ton. The actual profits on this contract were estimated by the Commission's engineers to be about \$14,500, and were subsequently found from an inspection of the contractor's books to have been exactly \$14,650. The cost of the work to the contractor was about \$26,000. The profit to this contractor on this non-competitive or "gift" contract was about 55 per cent., and the loss to the city was over \$17,000.

C. The Mahan Contract.

The work at the Columbia-road crusher was resumed in the fall of 1907 under another contractor. A contract dated September 3, 1907, was awarded without competition, with the approval of the Mayor, to James A. Mahan, a general contractor and builder, which was the same in its terms, except as to some minor details, as the contract of May 2, 1906. The total strippings were 10,296 tons and the total stone 19,496 tons, or 29,792 tons in all, for which the city paid 70 cents a ton, and \$1,239.50 in addition for labor, etc., making the total payments to Mahan \$22,093.85. The city also paid for labor \$9,794.91, or a total of \$31,888, which brought the total cost up to \$1.64 per ton. The loss to the city, based on the market price of crushed stone f. o. b. cars Boston, was at least \$10,443. This does not represent the total loss at the plant during 1907, for between January and August the city men were kept at the crusher, although the

plant was not in operation. The total cost of operating the crusher during 1907 was \$41,238, and the cost of crushed stone, exclusive of interest and depreciation, was \$2.16 per ton. The total loss to the city at this plant during the calendar year 1907 was therefore at least \$20,000.

The estimated losses from these transactions with Welch, O'Connell and Mahan, aggregating over \$50,000, are exclusive of interest and depreciation on the plant loaned to the contractors.

D. The Reason these Contracts were Given out Without Competition and at Excessive Prices.

Although Welch, O'Connell and Mahan were all contractors of established reputation and experience in the stone-crushing business, they did not personally obtain the contracts. In each instance the business was procured through the influence of politicians who were close friends of the Mayor.

Welch testified that during the mayoralty campaign of 1905, he became acquainted with Henry Fitzgerald, a brother of Mayor John F. Fitzgerald, and that he supported the latter in that campaign. After the election he went to James H. Doyle, the new Superintendent of Streets, and asked to be allowed to supply stone for 1906 in the West Roxbury District, but Doyle gave him no encouragement. He renewed his request on several occasions, but without success. He then went to Henry Fitzgerald for reasons described as follows:

Q. Did you see anybody else beside Doyle? A. Yes.

Q. Whom else? A. Henry Fitzgerald.

Q. What did you say to him? A. I saw Mr. Doyle, I suppose maybe three or four times and I was not succeeding very well and, finally, I went to Henry Fitzgerald and asked him if he would not see Mr. Doyle for me.

Q. What was done by Henry Fitzgerald? A. I don't know, but the result was I got the crusher.

Welch also saw Philip J. McGonagle, then a member of the Common Council from Ward 6, and asked him to use his

influence in his behalf, believing, as he said, that McGonagle was influential with the administration "from the Mayor down." Welch said that he went to Henry Fitzgerald for his influence with the "administration," and to McGonagle for the same reason. The following is from his examination on this point.

Q. How did you happen to talk with Henry Fitzgerald; did he know anything about crushers? A. He did — when I told him about it.

Q. Did he know anything so far as you knew except what he learned from you about crushers? A. I don't know.

Q. How did you happen to go to Henry Fitzgerald? A. Well, because I thought he might have some influence.

Q. Influence with whom? A. Well, with the administration.

Q. With what part of the administration? A. Which-ever part might be able to grant it, I don't know any particular —

Q. Then, is that the best answer you can make to that, Mr. Welch? A. That is the only answer.

Q. What did you go to Mr. McGonagle for? A. For his influence.

Q. With whom? A. Whomever he might be able to get.

In 1907 Welch again asked Henry Fitzgerald and Philip J. McGonagle (then a member of the State Legislature) to assist him in getting the contract for operating the city crusher, which was removed from Kenney street to his lot on Grove street.

Both the Superintendent of Streets and the engineer of the Street Department, James H. Sullivan, were opposed to the dismantling of the Kenney-street plant and its removal to Grove street; and, as has already been stated, the engineer had advised the Mayor to discontinue the whole stone crushing business. Doyle testified that he first heard of the plan of taking down the Kenney-street plant and moving it to Grove street from Welch, who called on him and asked that it be done, that he (Doyle) told him that he would make inquiries as to the cost, and the matter rested there for a

while; that afterwards he talked with the Mayor about it and told him he was having Engineer Sullivan figure the cost; that either before or after his talk with the Mayor, Henry Fitzgerald had asked him whether the transfer could not be made for Welch; that the engineer figured the cost of dismantling, removing and setting up the plant at about \$8,000, stating that "it was altogether too expensive and would not be a profitable thing for the city to do"; that he (Doyle) informed the Mayor of the cost, and the latter stated that it was too expensive; that Welch told him that the engineer's figures were too high and that he could do the teaming and setting up of the plant himself at a lower figure; that then Henry Fitzgerald asked him if he would not have the engineer revise the figures and "see if he could not cut them down lower, to the neighborhood of \$5,000 or thereabouts," stating that "if the engineer could get that down to about \$4,500, the Mayor would sign it"; that he (Doyle) then asked the engineer "if he could see any way out of it so that they could move the Kenney-street crusher to the Grove-street property any cheaper," and told him that Welch agreed to do the teaming very cheaply; that the engineer revised his figures and brought the estimated cost down to about \$5,000, by the use of the city's labor force to take the plant down, and charging that part of the cost to other work. When asked how that plan would reduce the actual cost to the city, Doyle replied: "Only in the sense that those men would be employed doing something else if they were not doing that."

Q. It would merely seem to be reduced? A. I agree to that proposition.

Q. Reduced from the bookkeeper's point of view? A. Yes, but not from a practical point of view. . . .

Q. What was Mr. Sullivan's attitude toward this project all the time? A. I could say he was opposed to it.

Q. What was your attitude so far as you were concerned, apart from other influences? A. I might say, to be lenient, that I was in an accommodating frame of mind. . . .

Q. Why, under the circumstances which you have stated and against the advice of the engineer, did you award this

contract? A. My answer to that would be, I should think that politics governed me largely.

Q. And politics as represented by what individual? A. By Mr. Welch.

Q. Any other? A. Why, the recommendations that he had received.

Q. What recommendations? A. Well, from Mr. Fitzgerald.

Q. What Fitzgerald? A. Henry Fitzgerald.

Q. Any others? A. I don't recall any others.

Henry Fitzgerald admitted that he saw a good deal of Welch in the campaign of 1905, and that he tried to secure the crusher contract for Welch, but denied that he ever received, directly or indirectly, any money from Welch in connection with these contracts.

On several occasions when the city made payments to Welch he drew checks on the same or the next day, payable to the order of himself, which he cashed. These checks were for round sums, running from \$175 to \$1,185, amounting in all to \$6,500; and although Welch kept a ledger, a pass book and a check book, which showed his payments and the persons to whom the money was paid in the greater part of his business, these books did not disclose what was done with these particular sums, and Welch said that he had no definite recollection as to the persons to whom these sums were paid. He thought that one included a contribution of \$500 to the Democratic City Committee, that others may have included the sums paid to McGonagle, and others payments to various persons in trade; but he could produce no receipts and could show no entries upon any of his books to account for these payments. A check for \$800, dated August 8, 1907, he said was drawn for the purpose of buying an automobile, and on the stub of the check book the word "auto" appears over an erasure which he was not able to explain. The fact is that he bought no auto, and he made no explanation of what he did with the money except that he turned it over to his clerk. In another instance \$1,185 was drawn upon a check payable to himself against his deposit of the city's check of \$1,343.22 dated December 1, 1906. He explained that \$685

was used for the pay-roll. In the stub there is an entry which reads, "Drew H. F. \$500." He failed to account satisfactorily for this \$500. At one time he stated that it was for his own use; at another time he thought he might have contributed it to the Democratic City Committee, but he claimed to have no positive recollection about it. He denied that "H. F." stood for Henry Fitzgerald, or that this money was paid to any one in connection with the city contracts. He finally gave it as his belief that the clerk who made the entry intended to put down "T. F.," his own initials, but had made a mistake and put "H. F." instead. The stub book contains entries of checks given to "T. F. Welch" and to "T. F. W.," but the initials "T. F." nowhere appear.

Welch admitted that he paid \$1,000 to McGonagle, part of it in the basement of City Hall and part in the corridor of the State House. He said the money was paid in cash, because it was not "customary" to give checks, and that McGonagle felt "delicate about taking it," but "took it after a while." He said that he paid McGonagle this money because the latter had been the means, to a great extent, of getting him the contracts. McGonagle testified that Welch spoke to him about the crushers and asked him to see Doyle. He saw both Doyle and Henry Fitzgerald several times, and told the latter that he could not get anything out of Doyle, and asked him (Fitzgerald) to see what he could do. He admitted that Welch paid him the \$1,000. Doyle testified that he did not recall that McGonagle spoke to him about the Welch contract at all.

The Columbia road contracts furnish an equally striking example of extravagance, and some new illustrations of political methods.

Dennis F. O'Connell, who received the contract of May 2, 1906, was selected because a competent man was needed to do the work and to enable the interested politician to collect the profits of a political bargain. Thomas F. Curley, formerly a senator from a Boston district, testified that he was a law student, and that in 1906 and 1907 he was financially interested in contracts awarded by the Street Department for

crushing stone at the Columbia-road plant. He stated that he and Alderman James M. Curley obtained from John F. Fitzgerald prior to the holding of the city primary of 1905 a promise to give the position of water commissioner to him in exchange for the Curleys' support in the primary, but that objection having been made after the election, the Mayor declined to give him the position, and that an arrangement was made to give him instead the contract for crushing stone at the Columbia ledge. When asked how the contract was obtained, he answered:

"I obtained it from Mr. Fitzgerald for the support we tendered him in the primaries of 1905."

He testified that he and Alderman Curley were prominent in politics in Ward 17 which was an important factor in the nomination and election of John F. Fitzgerald as Mayor in 1905. The examination continued as follows:

"We insisted upon being recognized in the event of his election and nomination, and argued that we, being the largest ward outside his own, the largest ward helping him for the nomination, we were entitled to the second largest position to be given out, believing that he was entitled to the best. Mr. Fitzgerald agreed that we were, and it was left at that."

Q. What position was regarded as the most important?

A. Superintendent of Streets under the old form.

Q. What was the next important? A. Water commissionership.

Q. To whom was that to go? A. We were to name a man and I expected to be named.

Q. Won't you go on in your own way and state—
A. After the election,—we did the best we could for his nomination and his election, and after he had been inaugurated we supposed he had plenty of time to look everything over and we asked him what he was going to do and he said he would not appoint me water commissioner because of something I had done which the public had taken notice of, and I agreed with him that it would be bad policy to do it. I went away and we came back again;

by we I mean Jim and I; we were always together in these conversations — he told us that everybody that was associated with him as his advisers had advised him not to do it, and he ought not to be compelled to do it and that our friendship ought not to be strained if he did not do it, and he suggested that a ledge be given.

Q. In lieu of the water commissionership? A. It was not put that way, but I took it that way.

Q. That a ledge be given to whom? A. To me; that is, with a person who was a reputable contractor and who was satisfactory to the Street Department on that basis.

Q. You regarded Mr. O'Connell as such? A. Yes.

Q. What happened at that time on which the ledge was to be given to you? A. O'Connell was given the contract at 70 cents a ton.

Q. Who suggested that Mr. O'Connell be given the contract? A. I did.

Q. You did to whom? A. To Mayor Fitzgerald first and to Mr. Doyle. It is hard to tell. First I met Doyle and I said Mr. O'Connell was a good man to get that contract, believing that Doyle understood that we were going to do it.

Q. Was an arrangement made in the first instance with Mr. Fitzgerald? A. For Mr. O'Connell, yes.

Mayor Fitzgerald's version of the transaction subsequently furnished to the Commission was that the Curleys came to him before the caucuses and asked him for a promise, that he told them he was going through the fight without making any promises, that they had simply got to trust him, and that he would do the best he could for them if he received their support. He admitted that after the election Thomas Curley's name was presented for the position of water commissioner, but he (the Mayor) felt that he could not consider Curley for that office. He said that afterwards Doyle told him that Curley had been in about the crushers and he instructed Doyle to see that the city's interests were protected. He said that this was all he could recollect about the transaction and denied that the giving of the crusher contract had anything to do with his refusal to make Curley water commissioner; but he offered no further explanation

of why the contract was given to O'Connell at the solicitation of Curley and without competition.

The profits of the O'Connell contract were, as already shown, approximately \$14,500, and, according to the testimony of both O'Connell and Thomas F. Curley, were equally divided between them; besides which O'Connell paid Curley and charged to the undertaking the sum of \$2,931.29, to be used by Curley for political purposes.

Thomas F. Curley stated that he then took his share of the profits of the contract, added to it James M. Curley's salary as Alderman, and divided the total equally between himself and James M. Curley.

The following is the substance of the evidence upon these points given by Thomas F. Curley:

Q. Tell us how the money that was received as your portion of the profits — approximately \$14,000 — was dealt with? A. My share of the \$14,000?

Q. No, your share of it as profits? A. I can't recall those weekly payments, half of which I gave to James M. Curley every week.

Q. Was that in accordance with your agreement with him? A. No.

Q. Who do you mean by "him"? James M. Curley? A. I answered the question as I understood it that way. No, there was no agreement between him and I.

Q. Won't you state what brought that result about? A. I believed that it was a pretty good thing and I ought not to enjoy it all alone. The expenses of our organization are great, which we usually meet; they are met by he and myself and he did not have any other income, I take it, at that time, except as I understood, his salary in the Board of Aldermen, and I did not think I should enjoy those profits without sharing with him; it was a friendly or brotherly feeling, as you may call it.

Q. How did you divide it? A. Every week I collected any money I gave him half of it.

Q. Did you, after a time, draw a sum practically every week? A. Practically every week.

Q. How much every week? A. \$100 one week and one week \$200.

Q. Did you draw larger sums at times? A. Yes.

Q. On each occasion did you divide with James M. Curley? A. No; I guess that there was one or two that I did not; I don't recall which they were.

Q. How did you divide — did you reckon anything else into profits besides the amount you received on the contract? A. Yes, I reckoned his year's salary.

Q. Salary as what? A. As Alderman.

Q. Adding that to the totals of your profits, did you divide the gross sum that resulted from your share of the profits and his salary and [share equally in the sum of those two sums? A. Yes.

Q. The salary he received from the city? A. Yes, I don't want it understood that he and I agreed to do that. I did that myself.

The next contract for the Columbia ledge was given to James A. Mahan, a contractor of considerable experience in the stone-crushing business. O'Connell had declined to renew his arrangement with Thomas F. Curley, and the latter was obliged to find another man competent to conduct the crushing operations. Thomas F. Mahan, a brother of James, saw John J. Curley, brother to Alderman James M. Curley, and asked to have the contract made between Thomas F. Curley and his brother James. John Curley who was acting as agent for Thomas F. Curley, then in Europe, procured the award of the contract by the Street Department to James A. Mahan, and a contract was drawn up between Mahan and Thomas F. Curley, which provided for a distribution of the profits, 60 per cent. to go to Curley and 40 per cent. to Mahan. This contract was signed by John J. Curley, acting for Thomas F. Curley, but was not signed by Mahan.

James A. and Thomas F. Mahan both testified that they had tried to get this crushing contract from the Superintendent of Streets, but had failed. The amount paid by Mahan, according to the Curleys' testimony, was \$1,787, while the amount as stated by Mahan was about \$1,937. The profits on the Mahan contract were estimated by the expert employed by the Commission to be nearly \$6,000.

The foregoing facts show what extravagant contracts these

were for the city and how little regard was paid by the Mayor and the Superintendent of Streets to the city's interests.

The official reasons assigned, where any at all were given, for awarding these contracts for crushing stone without inviting proposals by advertisement were neither plausible nor genuine. The reason given in the case of the contract with Thomas F. Welch, dated October 2, 1906, and the contracts with Dennis F. O'Connell and James A. Mahan, dated respectively May 2, 1906, and September 3, 1907, was that "this department is in need of crushed stone and the department force is employed on other work thus making this contract necessary." In the contract with Thomas F. Welch, dated April 2, 1907, authority to award the contract without inviting proposals by advertisement was requested by the Superintendent of Streets, but no reason was assigned in the written request; nevertheless, the authority requested was given by the Mayor. There was no necessity for operating the crushers at all, but on the contrary every reason for not doing so; and if there had been, as represented, an urgent need of stone, it could have been procured readily from private concerns and at far less cost.

7. THE CONTRACTS FOR NORTH RIVER FLAGGING.

Between August 1, 1906, and April 9, 1907, as stated in the report of the Commission dated December 6, 1907, the Supply Department awarded to Maher Bros. five contracts, with the approval of the Mayor, but without advertising for bids or competition of any kind, for about 60,000 square feet of North River flagging at 67 cents a square foot delivered on the wharf in the City of Boston. (See pp. 121, 122.) Under these contracts 41,157 square feet of stone were delivered, for which the city paid \$27,575.41. The same kind and quality of stone had been purchased previously from M. H. Cuddihy & Sons at 33½ cents a square foot, and the last payments to this concern were made after the first contract was given to Maher Bros. At a public hearing held by the Commission one of the members of the firm of M. H. Cuddihy & Sons testified that his concern was ready and willing to continue to furnish flagstones to the city at 33½ cents a square foot, or one-half the price

paid to Maher Bros. Another member of the firm testified that he sought without success to sell flagstone to the Supply Department at the rate of 33½ cents per square foot, and even interviewed the Mayor, but in vain.

The payment of double the former price for this material was inexcusable. The Cuddihy contract was on record and was used as a guide in making the Maher contracts, yet the price was doubled. The transaction can only be explained upon the theory of gross stupidity on the part of the Superintendent of the Supply Department and his clerks, or of deliberate fraud upon the city.

With the Cuddihy contract before their eyes it is difficult to account for the transaction on the theory of stupidity, as there was nothing to do but to make a copy of the contract, and the clerks of the department were entirely familiar with the process. One of the clerks testified that an exact copy was, in fact, made, and subsequently corrected to the larger figure upon the order of the Superintendent of Supplies.

The Maher Bros.' explanation of their disposition of the money was unsatisfactory. The city made seven payments on these contracts to Thomas F. Maher. He stated to the counsel for the Commission that he deposited in bank either to his own credit or to the credit of the firm only about two-thirds of the amount of the city payments. The other third, about \$9,400, was entered in the firm's cash book under the head of "merchandise" or "expense." This entry was transcribed on the ledger under the same head. Yet Maher testified that this one-third was in each case divided between himself and his brother as profits. The ledger page on which the partnership accounts were kept showed the divisions of profits of other business of the firm, but there was no reference to the items of "merchandise" or "expense" in the account with the city, and no explanation was given by either member of the firm of the use of the money represented by these entries. It was obvious that the books were kept in such a manner as to conceal the application of this money.

Before the contracts with Maher Bros. were fully performed the Finance Commission called the attention of the Mayor to the matter (see the report of December 6, 1907, on

p. 121 of the printed proceedings of the Commission) and recommended that no further deliveries be accepted. No more stone was accepted under the contracts.

Indictments have been found and are still pending against Thomas F. Maher and the Superintendent of Supplies.

8. DEALINGS WITH THE SUFFOLK CONTRACTING COMPANY.

Between June 12, 1906, and November 27, 1907, sixteen contracts were given without advertisement by the Water, Sewer and Street Departments to a concern doing business under the name of the "Suffolk Contracting Company," the total payments by the city under these contracts amounting to about \$14,700.

The Superintendent of Streets testified that such of these contracts as were given by his department to the Suffolk Contracting Company were "gift contracts," secured for the company by the solicitation of Leo F. McCullough, then a member of the Common Council and now its president. He said, however, that he did not know that McCullough was financially interested in the contracts.

Among the contracts given to this company were several amounting to about \$3,500 for the resurfacing of C street. A surveyor in the City Engineer's office, whose business it was to furnish the lines and grades for street-surfacing contracts, testified that this street was in good condition, and that he so reported at the office, but was told by another employee that "there was not much use to do anything about it further." The work was nevertheless done. This is another illustration of the demoralization resulting from the illegal interference by members of the City Council with the executive business of the city.

An expert employed by the Commission testified that the prices paid by the Water Department, under the contracts given to the Suffolk Contracting Company, involved a profit of about 30 per cent. in excess of a fair commercial profit, and that the loss to the city, similarly calculated, on a contract given by the Sewer Department to this concern, was about 17 per cent.

Charles M. Callahan testified that he was a contractor oper-

ating under the name of the Suffolk Contracting Company, but refused to answer questions put to him at a public hearing on the ground that he had already been fully examined by the Commission. In a statement made by him at a prior examination he said that he had been a contractor since 1901, engaged principally in teaming for the city; that he and McCullough constituted the Suffolk Contracting Company, formed about June or July, 1906; that McCullough had no experience in street or sewer work, furnished no capital, did no work or supervision for the company, and contributed nothing but political influence to get the contracts; that the profits were divided equally between himself and McCullough; and that in the two contracts which resulted in a loss this was not shared by McCullough.

A person occupying the position of president of the Common Council should have been willing freely to disclose to a Commission representing the city all the circumstances surrounding his connection with these contracts. His attitude in this regard is shown by the following extracts from his testimony:

Q. Mr. SUGHRUE (Counsel for the Commission): What is your name? A. Leo F. McCullough.

Q. Your business? A. You know, don't you?

Q. Your business? A. Don't you know?

Q. What is your business? A. I have answered your question.

Q. I don't hear you. A. Your hearing must be bad, I have answered your question.

Q. What is your business? A. I have answered your question.

Q. Have you a place of business? A. Yes.

Q. Where is it? A. Don't you know?

Q. Is that the only answer you care to make? A. That is all I care to make to you.

Q. Are you connected in any way with the Suffolk Contracting Company? A. You assume that I am, don't you?

Q. Is that the only answer you care to make? A. Just now, to you.

Q. Do you know Mr. Charles M. Callahan? A. Yes, very well. He told me about the deal you fellows put up on him in February.

Q. Have you ever been connected in business with him? A. You know, don't you.

Q. Is this the only answer you care to make to my question? A. To you, just now.

Q. Have you received any money from Charles M. Callahan during the last two years? A. Yes, oh, yes.

Q. State what you have received from him. A. No, I won't.

Q. Will you state approximately the amount that you have received? A. No.

Q. What did you receive money from him for? A. Well, he owed me some money.

Q. What did you do for him that occasioned any obligation upon his part to pay you money? A. I think you are getting a little bit personal.

Q. Is that the only answer that you care to make to that question? A. That is the only answer that it deserves.

Q. Have you ever, while a member of the City Council, seen any heads of departments concerning contracts? A. Why, yes.

Q. For the Suffolk Contracting Company? A. You know, don't you?

Q. Is that the only answer you care to make? A. To you, now, yes.

Q. Have you ever received moneys which were the proceeds of contracts with the City of Boston and of Suffolk Contracting Company from Mr. Callahan? A. I don't know.

Q. What? A. I don't know.

Q. You don't know — Is that the only answer you care to make to that question? A. Now I have given you one answer and I don't intend to make you more than one.

Q. Have you ever seen a water commissioner of Boston concerning contracts which you asked to have made with the Suffolk Contracting Company? A. You know.

Q. Have you ever received money as the proceeds of a contract for construction of a walk on Mount Vernon street between the City of Boston and the Suffolk Contracting Company? A. I don't know.

Q. Will you inform the Commission whether you have ever received money from Mr. Charles M. Callahan, moneys which were the proceeds of contracts between the Suffolk Contracting Company and the City of Boston? A. I don't know.

Q. Is that the only answer that you can or will make to this question? A. Yes.

9. THE FOURTH OF JULY ATHLETIC PRIZES.

For many years it has been the custom to appropriate money for public celebrations on the Fourth of July and other holidays. This money is spent under the direction of the Mayor, acting through local committees (generally members of the City Council) who are given charge of the arrangements in the different parts of the city.

In 1906, and again in 1907, the arrangements for prizes for athletic events on July 4 in East Boston were made through George H. Battis, then a member of the Board of Aldermen.

Battis was acquainted with a salesman in the employ of the Thomas Long Company, jewelers, and in July, 1906, bought through this salesman prizes for swimming events, athletic games and sailing races at a total cost of \$45. This salesman testified that in accordance with instructions from Battis the goods were billed to the city at \$81, and, after the money was collected from the city, Battis received the difference of \$36, saying, "I have got to divide with the committee, and am obliged to do it in that way."

Emboldened by his success, he repeated this transaction in 1907, but on a larger scale. He bought fifty-eight prizes from the same firm, but through another salesman. The testimony was that the true price was \$141.75, but under instructions from Battis the goods were billed to the city at \$440, and, after the amount was collected, it was paid to Battis, who paid the firm \$141.75 and retained the difference of \$298.25, he again stating that he "had to divide it with the committee."

In each case bills were made out by the Thomas Long Company to the salesman at the true price, and the goods were then billed to the city in the name of the salesman at the fictitious price.

After the salesmen through whom these transactions were conducted had testified to the foregoing facts, Battis was asked by the Commission to testify on his own behalf, and the fullest opportunity was given him to offer any explanation he desired. He refused to answer any questions or make any statement.

An indictment, which is still pending, has since been found against him by the Grand Jury of Suffolk County.

CONCLUSIONS.

This report discloses a lamentable picture of dishonesty and greed. It is especially disheartening in showing an absolute disregard of the city's interest by a Mayor, members of the Board of Aldermen and of the Common Council, a former State Senator and a member of the House of Representatives. No community is safe whose officials, elected by popular vote, prove thus false to their trusts.

In nearly every case the contract or purchase was made without public advertisement, and in all without any real competition. Most were what have come to be known as "gift contracts." No word could better describe their true character. They were deliberate gifts of the city's money for personal or political motives, or both.

With the exception of the purchase of Fourth of July prizes, the amount of each exceeded \$2,000. The law requires that in such cases bids shall be invited by public advertisement, unless the Mayor gives a written authority to do otherwise. This exception is not meant to afford an opportunity to evade the statute. The written consent is not to be a perfunctory act, or an indulgence. Its exercise involves responsibility, and any Mayor who gives his consent without an adequate reason violates the spirit of the law. Morally, at least, he is guilty of official malfeasance.

In none of the foregoing cases was there any excuse for failing to advertise. The evils which resulted should, and in some cases must, have been foreseen.

There may, of course, be instances where it is proper not to advertise. Emergencies may occur, or there may be special facts which make it wise for the Mayor, in the exercise of his

discretion, to grant the necessary authority. But these should be exceptions and not the rule. There have been such exceptions from the beginning. An accountant employed by the Commission reports that since the charter amendments of 1885 the percentage of contracts exceeding \$2,000, awarded with and without advertising, has been as follows:

YEAR.	After Adver- tisement.	Without Adver- tisement.	YEAR.	After Adver- tisement.	Without Adver- tisement.
1885-86	57%	43%	1897-98	65%	35%
1886-87	75%	25%	1898-99	63%	37%
1887-88	81%	19%	1899-1900	61%	34%
1888-89	72%	28%	1900-01	52%	48%
1889-90	76%	24%	1901-02	32%	68%
1890-91	71%	29%	1902-03	70%	30%
1891-92	79%	21%	1903-04	67%	33%
1892-93	81%	19%	1904-05	65%	35%
1893-94	80%	20%	1905-06 (to Sept. 16)	61%	39%
1894-95	77%	23%	1905-06 (fr. Sept. 16)	30%	70%
1895-96	81%	19%	1906-07	46%	54%
1896-97	73%	26%	1907-08	48%	52%

The figures for the contracts over \$2,000, relating to the subject to which a part of this report refers, namely, the purchase of coal, are as follows:

YEAR.	After Adver- tisement.	Without Adver- tisement.	YEAR.	After Adver- tisement.	Without Adver- tisement.
1885-86	100%	.....	1897-98	96%	4%
1886-87	100%	.....	1898-99	100%	.....
1887-88	100%	.....	1899-1900	94%	6%
1888-89	100%	.....	1900-01	62%	38%
1889-90	100%	.....	1901-02	75%	25%
1890-91	100%	.....	1902-03	75%	25%
1891-92	100%	.....	1903-04	64%	36%
1892-93	100%	.....	1904-05	78%	22%
1893-94	100%	.....	1905-06	83%	17%
1894-95	100%	.....	1906-07	42%	58%
1895-96	94%	6%	1907-08	50%	50%
1896-97	100%	.....	.....	.....	.....

In striking contrast with the contract methods of the City of Boston in recent years is the experience of the Transit Commission, the Metropolitan Water Works and Metropolitan Sewerage Works.

Between September 1, 1894, and October 17, 1907, there were awarded by the Transit Commission 366 contracts,

involving more than \$1,000 each. The total amount paid under these contracts was \$8,469,163. Of these 366 contracts 67, or 18 per cent., were let without competition, and 299, or 82 per cent., after public advertisement.

Between the organization of the Metropolitan Water Board in 1895 and the year 1908, 345 contracts, involving over \$500, and amounting in the aggregate to \$14,740,677, were awarded; 34, or 10 per cent., without competition and 311, or 90 per cent., after public advertisement.

Between 1901 and 1908 there were 61 contracts, amounting to more than \$500 each, awarded in connection with the Metropolitan Sewerage Works. These contracts involved in the aggregate \$3,759,258, the number awarded without competition was 4, or $6\frac{1}{2}$ per cent., and the number awarded after public advertisement was 57, or $93\frac{1}{2}$ per cent.

In New York and some other cities the limit above which contracts and purchases are required to be let by publicly advertised competition is fixed at \$1,000. In Baltimore, Buffalo and some other cities it is \$500. In view of the dangers from non-competitive and non-advertised contracts and purchases, and especially from the custom which has grown up of evading the law by splitting contracts which would normally exceed \$2,000 into a number of small contracts, the Commission believes that the limit of \$1,000 should be established in Boston.

As to contracts and purchases less than \$1,000 in amount the Commission believes that these also should be let by competition, and, wherever practicable, after advertisement. A sufficiently large number of bidders, however, should be invited to secure a genuine competition, and a bulletin board should be established at City Hall upon which all proposals for bids should be posted for public inspection.

The evil involved in solicitation by members of the City Council of contracts and other favors was intended to be met by the charter amendments of 1885 (chapter 266, section 12), providing that members of the City Council should not "directly or indirectly take part in the employment of labor, making of contracts, the purchase of materials or supplies, the construction, alteration or repair of any

public works, buildings or other property, or the care, custody and management of the same, or in the conduct of any of the executive or administrative business of the city."

No penalty, however, was attached to the violation of the provisions of the act, and the constant interference, as shown in this report, by members of the City Council in the very matters with which they were prohibited from interfering has been one of the chief causes of the extravagance and misgovernment from which the city has suffered.

This has been partly remedied by chapter 522 of the Acts of 1908, attention to which was called by this Commission in its communication of November 10, 1908. This law should be broadened to provide a penalty for any violation of the provisions of section 12 of chapter 266 of the Acts of 1885.

RECOMMENDATIONS.

The Commission renews the recommendations contained in its former reports and further recommends:

(1.) A more general observance of the statute requiring invitation of bids by advertisement.

(2.) An amendment to the law fixing the limit at or above which contracts must be advertised at \$1,000.

(3.) The more general solicitation of competitive bids in cases under \$1,000.

(4.) An amendment to chapter 266 of the Acts of 1885, providing a penalty for a violation of the provisions of section 12 sufficient to cause a strict observance of the law on the part of members of the City Council.

(5.) Wherever restitution has not already been made, civil suits should be brought against those legally liable under the foregoing facts. The attention of the Corporation Counsel should be called to this report, with instructions to take immediate action thereon.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL RELATING TO THE CODMAN-STREET LAND DEAL.

Boston, November 16, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — In a report to the Mayor dated August 27, 1907, the Finance Commission called attention to the careless manner in which items for the purchase of land were incorporated in loan bills, and to the fact that some of the departments were contemplating the payment of several times the assessed value for some of the land to be bought under the loan bill approved July 26, 1907. The Commission also called attention to the law which forbade the Schoolhouse Commission to acquire land by private purchase at a price more than 25 per cent. higher than its average assessed valuation during the previous three years, and recommended that the Mayor instruct the departments not to acquire real estate by private treaty at more than 25 per cent. in excess of such valuation. The Commission added that it believed that "such a safeguard of the city's interests is immediately necessary before the negotiations now pending have gone too far."

On August 28, the Mayor addressed a communication to the Commission. The substance of this letter is contained in the following passage:

In stating that "a safeguard of the city's interests is immediately necessary before the negotiations now pending have gone too far," I believe that the Commission has perhaps forgotten that any agreements for the purchase of land must receive the Mayor's approval. No purchase is a valid one until it receives the approval of the Mayor. Upon the receipt by me from any department of an agreement for the purchase of land for department purposes, the questions for me to determine are as follows: (1) What is the fair market value

of the land at the time of taking, whether by eminent domain or private treaty? and (2) Is it in the public interest?

It has always been my custom to refer such matters, when they were presented to me for approval, to a real estate expert or experts; and I have never signed any settlement for land takings without being fully advised on the proposition.

Inasmuch as all settlements for land damages must be presented to and approved by me before they become operative, and as I shall sign no settlement unless I am persuaded that the amount awarded represents the fair market value of the property at the time of the taking, I cannot agree that "a safeguard of the city's interests is immediately necessary before the negotiations now pending have gone too far."

The letter also contained the statement:

I am prepared, and consider myself qualified, to safeguard the interests of the city on this and all matters that come before me.

Whether the vigilance of the Mayor, asserted so confidently in this letter to be a sufficient protection to the city in its real estate transactions, can always be relied on as such, may be judged by the circumstances attending the acquisition of certain land by the Street Department in May, 1907, about four months before the letter of August 28 was written.

The city was the owner of a lot of land on Codman street in Dorchester, and operated a stone crusher upon the premises. Adjoining was a lot of land containing 111,423 square feet, formerly belonging to one E. A. Perkins, who died in 1903, leaving his estate to F. H. Perkins and others, as trustees. The land was assessed for \$5,200. The trustees advertised the land and made other efforts to sell it, but unsuccessfully, until in April, 1907, Mr. Perkins was approached by a real estate broker and induced to give a two weeks' option on the property to one O. E. Kaine. Mr. Perkins had no knowledge that the parties were contemplating a re-sale of the property to the city. The price to be paid under this option was six cents a foot, or \$6,685.38. The option was extended from time to time, and the transaction was consummated on May 6, 1907, by a deed from Perkins and others, trustees, to

David H. Greenhood. Simultaneously with the delivery of this instrument, another deed, from Greenhood to the City of Boston, of the same premises and of evendate, was delivered to the city, and the price paid by the city to Greenhood was twelve cents a foot, exactly double the price Perkins had agreed to take. The city draft, drawn to the order of David H. Greenhood, was for \$13,370.76; but the money was divided into two checks, both payable to him for \$6,685.38 each. One of these checks was indorsed by him and delivered to Perkins, while the other was cashed by Greenhood at the bank on which it was drawn.

The Superintendent of Streets testified that Greenhood had seen him several times to urge him to buy the land and that he, the superintendent, consequently spoke to the Mayor about it. The Mayor referred him to John J. Cadigan, a real estate broker, by whom he was told that the land was worth 10 to 15 cents a foot. Cadigan testified that this was an off-hand opinion; that he expected that the matter would be presented again for more careful consideration, and that he made no charge for his advice.

The City Conveyancer testified that when examining the title he had seen Kaine, who asked him to draw a deed of the property from Perkins to him, and another from him to the city, at the price of 6 cents a foot. The City Conveyancer made a memorandum of this conversation at the time, which was preserved and put in evidence. He then made out the deeds and sent them to Kaine, who returned and said that the price was to be 12 cents a foot, and wanted the name of the intermediary changed to David H. Greenhood. The City Conveyancer spoke to the Corporation Counsel about the change in the consideration, and suggested that the city might be paying too much, that the transaction ought to be looked into, and that he see the Mayor about it; but, that after one unsuccessful attempt to find the Mayor, they finally "concluded that there was nothing really we could do about it." He said that he considered the whole case suspicious, but he called no one's attention to it other than as above, and did not, until after the transaction was consummated, call anyone's attention to the splitting up of the

purchase money into two checks of even amount, each for the purchase price according to his original memorandum. The Commission, while having entire confidence in the integrity of the City Conveyancer, feels that he should have acquainted the Corporation Counsel with this additional fact before passing the papers.

At the public hearing both Kaine and Greenhood refused to answer questions, though not on the ground that the answers would tend to incriminate them. Greenhood admitted that he had at first told counsel for the Commission that \$5,000 of the money received by him had been paid to his sister, and that this was not true. At a subsequent hearing Greenhood said that he paid the money to Marks Berwin, brother of Alderman William Berwin.

This transaction was a bold and successful raid upon the city treasury. It is clear that the land was not needed by the Street Department; that its purchase by the city was worked up by a gang of municipal speculators; that the city paid exactly double what it might have bought the land for if anybody had been active in its interest; that although the transaction was accompanied by circumstances of the utmost suspicion, the law officers of the city thought it would do no good to call the attention of the Mayor to it, considering that a protest would be useless.

Indictments based on this transaction have been found and are now pending against William Berwin, Marks Berwin, O. E. Kaine, James H. Doyle, Oliver Gragg, H. C. French and Samuel Kelley. The Commission recommends that a civil suit be brought against Greenhood and the other persons associated with him to recover the money lost.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL RELATING TO THE MUSIC DEPARTMENT.

Boston, November 17, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — The Music Department of the City of Boston was created by the City Council in 1898. This department determines what public concerts shall be held, and selects and pays for the music that is furnished at these concerts. From 1898 to 1905 the annual expenditures of this department increased from \$9,046.37 to \$16,499.36. In 1906 its expenditures were \$20,000; in 1907, \$25,000. For 1908 the appropriation is \$15,000, and the secretary estimates that all this will be expended.

The department occupies quarters at 64 Pemberton square — the rent and care of which are charged to the Public Buildings Department — and maintains thereat a small staff, consisting of a secretary, who is not required to give his full time to the duties of the position, and a clerk. Their salaries and the sundry office expenses amounted to \$2,254.82 in 1907. This item will be reduced to \$1,925 in 1908, principally through a reduction in the salary of the secretary.

The scope of the work undertaken by this department has largely increased. Last year it paid for 110 summer concerts, three of which were not given on account of bad weather, and for thirty-nine winter concerts. The cost, excluding construction charges, was \$15,699.05 and \$5,726.83 respectively.

These concerts have been extravagantly conducted. In the year 1907-08 the State gave 383 concerts at an average cost per concert, exclusive of construction, of \$56.63, and of \$55.54 for the band alone. The cost per concert by the city, excluding construction charges, was \$142.72, or \$117.37 for the band alone. The State concerts are entirely adequate, and there is no reason why the city cannot get equally good results for the same cost.

The secretary of the Metropolitan Park Commission attends to the business matters connected with the State concerts as an incident of his duties. The city maintains a separate office at an expense of \$2,254.82 for salaries and incidentals.

The musicians employed in the Municipal Band are chosen by the Trustees without examination, competitive or otherwise. While competent musicians have, on the whole, been chosen, this system has led to at least one unfortunate appointment in 1907 of a conductor who was suggested by the Mayor and pressed upon the department by politicians, but who upon trial was unable to fulfil the requirements of his position.

During 1907-08 the construction account of the department was \$3,574.12, made up of \$1,575.40 for a bandstand at Franklin Park, \$1,548.72 for one at Jamaica Pond, and \$450 for work on the bandstand on the Common.

The circumstances connected with the first two items are indicative of the methods dictated by the then Mayor. The construction of the stands was determined upon at a conference held in 1907 at the Mayor's office between the Mayor, the Superintendent of Parks and the chairman and the secretary of the Board of Trustees of the Music Department. The Music Department was then requested by the Mayor's office to employ two designated contractors. This request was considered mandatory, and a contract for one of the stands was given without competition to each of the contractors. Each charged \$1,500 for the work — which was the exact amount authorized by the department as the maximum cost of each stand. An estimate of the fair cost of these stands, including a reasonable profit, is \$990, and the loss to the city on these two contracts was thus \$1,020, or over 50 per cent.

The same practices as to the appointment of employees, the letting of contracts and the interference of the chief executive with departmental work which have been pointed out in other departments existed in the Music Department. If the department is to continue these abuses should be guarded against in the future, the making of contracts placed on a strictly competitive basis, and the appointment of musicians regulated by competitive examination held by competent men.

The Commission believes, however, that to continue the Music Department is entirely unnecessary.

The summer concerts in the open air should be placed in charged of the Park Department in the same way as the State concerts are provided by the Metropolitan Park Commission. If musical direction is desired, it can be furnished by unpaid advisers to the Park Department, and the expense of a separate office force saved. The winter concerts should be given, if at all, by the School Department, under the direction of its paid musical director. If the winter concerts are, as claimed by the Trustees of the Music Department, and as this Commission believes, educational in their influence, they should, as an educational matter, be under the charge of the School Department. As a matter of fact, thirty-one of the thirty-nine were given last year in school buildings. There should not be a divided jurisdiction.

The Commission recommends, therefore, that the ordinance establishing the Music Department be repealed, that the duty of giving such open-air concerts as are deemed advisable be delegated to the Park Department, and that the matter of winter concerts be referred to the School Committee.

Assuming that the concerts thus conducted will cost no more than is paid by the State for an equal number, the saving to the city by the changes herein recommended will be about \$12,000 per annum, as compared with the expenditures of the department in 1907-08.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

Boston, November 22, 1908.

To the Honorable the Mayor and City Council,

Boston, Mass.:

GENTLEMEN, — The Finance Commission thinks that there may be a misapprehension as to its recommendations concerning the city concerts. From a statement by a member of the Music Commission the erroneous impression may have been drawn that the Finance Commission recommended the "wretched wage" of \$1.50 per day for competent musicians. The Commission has made no such recommendation, and does not believe in any such proposition. It believes that the concerts can be so managed as to produce the results recommended without injustice to the musicians.

Respectfully submitted,

THE FINANCE COMMISSION,

by

R. M. HULL,

Assistant Secretary.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL
RELATING TO THE SUPPLY DEPARTMENT.

Boston, November 27, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — The present Supply Department was established by chapter 6 of the Ordinance of 1908, which provides (section 2) that “every officer in charge of a department requiring materials, apparatus and other supplies, except furniture and those supplied by the Superintendent of Printing, *shall* obtain the same of the Superintendent of Supplies by means of a requisition on blanks to be prepared by said superintendent.” If this ordinance is construed as authorizing officers and boards to use the Supply Department as an agent, it may be defensible legally, but if the word “shall” is mandatory, requiring them to do so, it is in violation of the statute (Acts of 1885, chapter 266, section 6), which provides that “officers and boards shall in their respective departments make all necessary contracts for the supply of materials.” The Corporation Counsel, in a written opinion to this Commission under date of November 11, 1908, states that in this respect the ordinance “is illegal and not binding upon the heads of departments.” The full text of his opinion is annexed hereto.

In compliance with a circular from the Mayor dated May 28, 1908, many of the departments have made requisitions upon the Supply Department for all or part of their needs. Some have not done so, making their own purchases under the right conferred upon them by the statute.

The aggregate purchases made by the Supply Department from February 1, 1908, to July 1, 1908, were \$204,656.65. The Commission has been unable to obtain the figures for July, August, September, October and November. The Superintendent of Supplies was asked for but was unable to furnish them, admitting that the department is several

months behind in making up its records. This he claimed to be due to lack of sufficient help.

The department employs:

	Salary.
A superintendent	\$3,000
One assistant superintendent	2,500
One clerk and bookkeeper	1,600
One stenographer and bookkeeper	1,400
One coal weigher	1,000
One office boy	312
	<hr/>
	\$9,812

The appropriation for the department for the current year was \$12,000, and the superintendent states that he expects to exceed this amount by about \$1,500. The office rent, light, heat and furniture are supplied by the Public Buildings Department, and paid for out of the appropriation for that department.

The superintendent at the time of his appointment was chairman of a Republican ward committee in East Boston, and his selection seems to have been a political one. This is especially to be regretted in view of the experience of the former Supply Department under Superintendent Michael J. Mitchell. The exposures by this Commission of the coal scandals, and of the improvident purchases of oil, cement, paving blocks, flagstones, drainpipe and other supplies ought to have made the department immune from any possibilities of further political troubles.

The superintendent testified that his business had been that of general contractor in construction work on "bridges, elevators, building coal-pockets and all such things," doing a business "amounting to a million and a quarter's worth of business in twenty months" and that his experience in the purchase of general supplies such as cement, brick and stone had been "pretty large." This would seem to qualify him for the place, but from his testimony it is apparent that his experience had taught him very little. In speaking of cement he stated that he generally used both Portland and common cement:

Q. What kind of Portland cement? A. Regular Portland cement furnished from the Portland manufacturing companies.

Q. Where are they located? A. They are located down in Maine. Sometimes it is made out of the rock and then there are cements that are made out of clam shells, you know.

He even went so far as to state that he had written to the "manufacturers down in Maine where they manufacture the goods."

The fact is that no Portland or other commercial cement is made in Maine, and there are no manufacturers of cement there to whom he could have written. When asked to produce copies of his letters, he was unable to do so. Some weeks later, having discovered his mistake, he stated that he meant Pennsylvania, but he was unable to produce copies of any letters to any cement manufacturers or dealers in Pennsylvania.

He stated that the different departments sent in requisitions for the supplies needed, and that he sent or went out and got bids, sometimes asking and receiving them by telephone, buying of whomever made the lowest bids, and that he did not buy on specifications because he thought he could do full as well without.

Asked as to specifications in purchasing paving stones, he said that he used none:

Q. If you don't have specifications, how are you going to be able to refuse whatever they send you?

A. When we find out, we will have specifications. The people that are bidding know just how to bid.

Q. When you are buying, don't you have to call for a very definite thing with definite specifications?

A. When the contract is made, then we make the specifications,—when you find out the lowest bidder.

Q. You don't furnish any specifications when you ask for bids? A. No, because it is all about known.

Q. Have you made any effort to find out what granite blocks ought to be purchased for? A. Yes.

Q. What have you done to find that out? A. By looking back and seeing what they were purchased for in years gone by.

Q. So if the prices have been high in the past you will to that extent be misinformed, won't you? A. If the prices don't suit me, then I will go digging.

The reports of this Commission, a full set of which had been sent to the department, show the high prices which the city paid for various supplies in the past through the former Supply Department. There could be no more dangerous method of fixing prices than by such a comparison.

As to his oil purchases, he was asked:

Q. Are you buying the same kind of oil for marine as for other stationary engines? A. Yes.

Q. Is there any difference between them? A. Well, no.

Q. Have you found out what the other large consumers of oil are paying? A. I have learned in a casual way that they are paying a good deal more than we are.

Q. State whom you got this information from. A. Well, I can't remember the name.

Q. What has the Metropolitan Board paid for oil? A. I could not say.

Q. Have you tried to find out? A. No.

Q. Do you know what any large concern using oil in large quantities is paying? A. No, sir, I don't.

He seemed to have only a vague idea that the Finance Commission had made reports upon the subject of the purchase of supplies, among them oil:

Q. There were recommendations made for your guidance, were there not? A. Not that I know of, I never received any, no, sir.

Q. Did you know that the Commission had dealt with that question very much in detail, and had made recommendations as to the method of purchasing oil? A. Why, I heard that they had, but I never saw them.

Q. After you had heard that they had made them, why didn't you ascertain what the Commission had done, to see whether your judgment approved of it?

A. I would, as soon as we got through with this experiment.

Q. Well, wouldn't that aid you in your experimenting? A. I don't really know whether it would have aided us or not.

He has no great faith in the efficiency of soliciting bids by public advertisements. In several cases he has complied with the law, advertising for bids on coal in June; bank gravel and sand in July; crushed stone, stone dust and paving blocks in October; cement and hay and grain in November, the various contracts aggregating in amount a little over \$170,000.

In five instances, however, contracts exceeding \$2,000 in amount, aggregating about \$41,000, have been made without advertised competition. He was unable to give any reason for this other than that he believed that he thereby secured lower terms than he could have obtained if he had advertised. He was asked:

Q. You believe you can do better privately than by public advertised competition? A. Yes, sir.

Q. The fact is that you don't believe in that system of purchasing for the city? A. Not in certain things, I don't.

Q. Well, what things do you believe in? A. I don't know anything unless you can buy it in big quantities, such as coal.

Notwithstanding this exception in favor of coal, he has recently closed a substantial contract with the Marston Coal Company for coal, involving at least \$20,000 and probably much more, without advertising, and without competition of any kind. He explains that he did so to save the cost of advertising, having an opportunity to make a private trade at the same figure at which the School Committee had recently awarded a contract after advertisement, and he thought the price so low that he couldn't do better. He was also influenced by the time-honored argument of the dealer that there was no profit in the transaction.

He was asked:

Q. Did you go to see anybody else, or send for anybody else? A. No, sir, I did not.

Q. You mean that without any inquiry of any kind you took the figures of this one man and submitted them to the Mayor? A. I did, yes, sir.

At this time at least one other coal dealer of established reputation was anxious to bid on the contract. Knowing that the prior contract did not expire until October 1, this dealer waited until near that date before requesting an opportunity to bid, and then found that the contract had been awarded elsewhere without competition. This dealer stated to the Commission that he would have been glad to furnish coal from the New River district for \$4.25, of a quality as good as, if not better than, that for which the Supply Department paid \$4.34. A grave injustice has thus been done not only to those who had a right to bid, but to the city, which had a right to the chance of obtaining a lower price. Moreover, a failure to advertise after all the discussion of the past year tends to drive off reputable dealers who may conclude that the day of awarding contracts to political or personal favorites has returned.

Recent purchases of lubricating oil by the department have been publicly criticised. The facts are as follows: The Kehew-Bradley Company had been supplying oil to the city, without specifications, and without advertised competition, but at prices lower than had been formerly paid, and apparently with satisfactory results as to quality. In March of this year the Chicago Rawhide Manufacturing Company, through its local agent, Lewis E. Tracy, offered to supply equally satisfactory oil at lower prices, and this offer was accepted, without competition and without specifications.

William B. Kehew of the Kehew-Bradley Company stated that no complaints have ever been made as to the oil furnished by his company, but that under the new administration, without notice, the orders were given to Tracy. He said, "The way that Tracy got in was by giving lower prices than we were charging. I went to see the superintendent and he told me that 'the lower prices went.' I said, 'very well, I can't do business with you now. I shan't lower my prices.'"

An expert, Mr. Arthur D. Little, who, Mr. Kehew says, "is probably the finest chemical expert here," reports as to the oils being delivered by the Chicago Rawhide Company, that tests made by him of samples of oil "taken at the Cow Pasture and the North Ferry show the oils to be of good quality and satisfactory for engine and cylinder lubrication. Both are satisfactory oils and should give good results."

It appears that the Chicago Rawhide Manufacturing Company is not a manufacturer of, nor a large dealer in oils. It merely buys oil to sell again. Its dealings with the city are more than one-half its entire oil business. It also appears that its Boston representative is a personal friend of the Mayor. None of these facts should deprive the city of a chance to obtain satisfactory goods at a low price, nor should the lowest bidder, if he is responsible, be deprived of a right to sell to the city; nevertheless in making the purchase no opportunity for hostile criticism or even suspicion should be given. The Commission desires to emphasize this elementary truth as applied to the conduct of public business, because, in the course of its investigations, it has noticed a tendency among officials, in whose integrity it has entire confidence, to believe that they can do that which they would condemn in others. They do not realize that they are establishing dangerous precedents. What they do honestly, others may do dishonestly. The purchases of oil should have been united in a single contract, and competitive bids for the city's needs upon carefully prepared specifications should have been sought by public advertisement.

Large concerns like the United States Steel Corporation, American Sheet and Tin Plate Company, Pennsylvania Railroad, Philadelphia & Reading Railroad, American Writing Paper Company, International Paper Company, Hollingsworth and Vose Company, Tileston and Hollingsworth Company, United Shoe Machinery Company, Walter M. Lowney Company; and many others buy their oil regularly on specifications and there is no reason why the City of Boston should not do so.

The expert above referred to, Mr. Little, has prepared specifications, copies of which are submitted herewith, which he assures the Commission will protect the city's interests and upon which it will be entirely practicable to invite competition by public advertisement.

There have been other purchases by the department which, although small in amount, are not to be defended.

Thus, from the Federal Metallic Packing Company, whose salesman was a friend of the superintendent, and his successor as chairman of the ward committee, he bought goods to the amount of about \$1,000 at prices sometimes from 10 per cent. to 40 per cent. above those for which they might have been obtained elsewhere. This matter being called to the Mayor's attention was immediately stopped, and for some time the department has been purchasing similar supplies from other parties at the lower rates.

A large part of the department's purchases has been in small amounts by what is apparently a haphazard and casual buying. No careful study has been made of the possibilities of buying at wholesale. Purchases of an article have been made in amounts of less than, but in the aggregate exceeding, \$2,000, where ordinary business acumen would have led to their being united and bids solicited at wholesale. Thus about \$24,000 worth of lumber has been bought from the Curtis & Pope Lumber Company without any effort to obtain competitive prices by advertisement for bids. A reputable lumber dealer testified before the Commission that he desired this business; that he so notified the superintendent, but that until very recently he was given no opportunity to compete.

The advantage of uniting the entire needs of the city in one large contract can and should be secured, not only in the case of coal, lumber, cement, oil and similar articles which the city uses in large quantities, but also in what are often regarded as insignificant purchases. Thus, the city pays about \$15,000 each year for ice, the prices varying from 14 cents to 39 cents per 100 lbs. An attempt ought to be made to purchase the whole under a single contract, and obtain the benefit of wholesale rates.

So, in the matter of the city's laundry work. This has been done in small quantities at exorbitant prices by a large number of individuals. If the entire laundry work of the city should be united in one contract, wholesale rates could easily be obtained and the saving would amount to many thousands of dollars.

A purchase was recently made by the department of North River flagstone under peculiar circumstances. At a public hearing held by this Commission in December, 1907, it appeared that the city had been buying North River flagstone at double the fair price, the facts as to which are set forth in the communication of the Commission to the Mayor and City Council of November 16, 1908, and in its communication to the Mayor of December 6, 1907, the Commission recommended that "when the supply for 1908 is contracted for it shall be only after a public and genuine competition."

The report containing this recommendation was sent to the Supply Department and was open to the new Superintendent of Supplies, if he had taken the trouble to read it.

A carload of flagstone being needed, he invited bids privately from M. H. Cuddihy & Sons, who bid $34\frac{1}{2}$ cents per square foot, and William E. Harvey, who bid 33 cents per square foot. He gave the order to Harvey as the lowest bidder. Harvey testified that he was in the real estate business and was also a commission dealer in ladies' underwear; that he had been in the flagstone business about six weeks; that he had no stone yard and no other contract for flagstone; that he had obtained prices from the Hudson River Company in New York, which sells flagstones; that the stone was to be delivered by that company at the wharf; that the city was to do the teaming; that he was only to pay for the stone thirty days after delivery; in other words, that without advancing any cash and without doing anything of real value he was to get a middleman's profit. Greater care should be taken in investigating the character and responsibility of those with whom the city deals. The cost of transacting the city's business through middlemen has already been pointed out by this Commission. The apparent saving of $1\frac{1}{2}$ cents

per foot is no justification for a failure to buy the city's entire needs under a single contract after publicly advertised competition.

There is a grave defect in the present system of obtaining the city's supplies for which the Supply Department cannot be held responsible. It buys goods upon requisitions from other departments, and never sees the goods after they are bought, as they are delivered directly to the department requiring them. A notice is sent to that department requesting the recipient to certify upon a blank prepared for the purpose that the deliveries under the requisition are correct in quantity and weight and of the best quality; but the Supply Department makes and can make no independent inspection, and as it has no control over the employees or the facilities for inspection of the other department it cannot be sure that the certificate is to be relied upon. This Commission is satisfied that in many cases the making of the certificate is a perfunctory act, and is no real protection to the city. This divided responsibility between departments and consequent failure to protect the city is of serious moment, and should be carefully studied. Especially should inquiry be made in each department as to the degree of care exercised in inspection of and the extent of the facilities for weighing, measuring and otherwise checking supplies.

Although many articles have been bought by the present department at higher prices than might have been obtained, efforts have been made recently to buy at lower prices. An example of this appears from purchases recently made respectively by the Health Department and the Supply Department, under similar circumstances, of articles to be used at the Quarantine Station.

	Price through Health Dept. Sept. 1, 1908.	Price through Supply Dept. Sept. 26, 1908.
Iron beds.....	\$4 25	\$2 75
Springs.....	3 50	2 12½
Mattresses.....	2 57½	2 00

The chairman of the Board of Health has stated to the Commission that the articles are substantially of the same grade, and that those furnished by the Supply Department are giving satisfaction.

It is only fair to say that a serious attempt has been made during the past few months to reorganize and systematize the department, and some progress has been made; but it is apparent that under its present head this is impracticable. The problem requires the clear thought of a trained mind.

It is obvious that the mere establishment of a Supply Department, resulting only in a change of buyer who continues the purchase of supplies at retail, without a change of system, is not worth while. Moreover, the present state of the law is not such as to permit of a proper Supply Department. Until the Legislature authorizes the establishment of a central Supply Department, the present law should be observed, and the purchases should again be made by the several departments.

The wisdom of establishing a central Supply Department with a proper organization under a competent head cannot be doubted. The city is a large purchaser, and it ought to get the benefit not only of wholesale rates, but of the discounts which should come from prompt payments. In addition to the ordinary trade discounts, most private buyers obtain a specific discount for cash payments within ten days. To obtain this special discount would require the coöperation of the Auditor and Treasurer and would necessitate the abandonment of the present slow methods of payment. The city would save considerable sums in the course of each year through discounts alone by the adoption of a modern system of payments. In its communication of July 10, 1908, the Commission expressed the opinion that "the method of disbursing money from the city treasury is cumbersome, antiquated and unsuited to the volume and nature of the business done," and recommended that "the City Treasurer and City Auditor be directed to prepare a plan for the prompt payment of the city's creditors by check." Nothing has been done along these lines, and the city, with money always on hand, cannot under the present system avail itself of the ordinary

business opportunity for discounts. It is true that special drafts may be resorted to, but this is regarded as an exception, and is in itself a cumbersome process. The attention of the Auditor and the Treasurer should be called again to this matter.

Another advantage of a central Supply Department is the opportunity of obtaining the service of an expert buyer. Heads of departments or members of a board do not always have the necessary business qualifications to buy to advantage. The city's interests would unquestionably be best cared for if all its purchases could be made at wholesale by expert buyers in charge of a thoroughly trained and capable man. Such a man cannot be obtained for \$3,000 a year. In a properly organized department, a qualified superintendent, buying the variety and amount of goods which the city must purchase, should command at least \$5,000 a year. The right man would easily save to the city many times his salary.

When a new Supply Department is authorized by law, a system should be devised under which, at the beginning of each year, or perhaps each six months, a canvass of the needs of each department should be made, and prices obtained at wholesale through public advertisement upon carefully prepared specifications, deliveries to be made from time to time as called for. The practice in this respect of the United States and of many municipal and private corporations should be studied.

There, of course, may be certain articles which could be purchased to better advantage by the several departments for their own use. A law authorizing a Supply Department should provide for this. The Superintendent of Supplies, however, should keep informed as to current prices of all articles, and act in an advisory capacity towards the other departments, notifying them when and where they can buy to advantage.

The Commission believes that it would be unwise under any circumstances to establish a central storehouse. This would mean only waste, depreciation and possible theft, a large corps of employees to care for and distribute the supplies, and a large amount of extra teaming.

The Commission recommends:

1. That the law be amended so as to authorize the creation of a general Supply Department for the city, under an expert buyer.

2. That the present position of Superintendent of Supplies be abolished.

3. That so much of chapter 6 of the Ordinance of 1908, which is in violation of the Acts of 1885, chapter 266, section 6, be repealed, and the Supply Department as at present constituted be discontinued.

4. That pending the legislation necessary to establish a general Supply Department, a purchasing agent for the Street Department be appointed from the civil service list.

5. That the heads of other departments be authorized to use the purchasing agent of the Street Department as their agent to the extent that they may desire, and that by this voluntary coöperation the advantage of wholesale buying be obtained.

6. That a careful investigation be made of the system in the various departments of inspection of supplies as the same are received, and the extent of their facilities for weighing, measuring and testing supplies.

7. That a careful study be made of the method of purchasing supplies in practice by the United States Government, by large corporations, and by other municipalities.

8. That the Auditor and Treasurer be required to establish in their respective departments a system whereby prompt payments may be readily made, to the end that the city may obtain the benefit of special discounts for cash.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

Boston, November 11, 1908.

BOSTON FINANCE COMMISSION,
Tremont Building, Boston, Mass.:

GENTLEMEN, — I am asked by your chairman to inform your body whether in my opinion chapter 6 of the Ordinance of 1908, establishing the Supply Department, is not in conflict with the provisions of Statutes of 1885, chapter 266, section 6, and how far said ordinance requiring officials in charge of departments to purchase their supplies through the Supply Department is legally binding upon them.

In reply I would state that section 2 of the Ordinance of 1908 is in apparent conflict with the sentence in section 6 of chapter 266 of the Acts of 1885, which requires officers and boards in their respective departments to make all necessary contracts for the employment of labor and supply of materials, etc. It would follow, therefore, as the statute amending the charter has not been repealed or amended in this respect, that section 2 of the ordinance, so far as it requires officers in charge of departments to obtain certain materials, apparatus and supplies through the Superintendent of Supplies, is illegal and not binding upon the heads of departments. So far as the other sections of the ordinance are concerned I think they are legal and that if the head of a department desires to have the Superintendent of Supplies purchase for him and signs a requisition for the supplies, it can be made the duty of such an officer to purchase the supplies requisitioned for and to do the things which are required of him by the ordinance.

Yours truly,
(Signed) THOMAS M. BABSON,
Corporation Counsel.

Boston, November 20, 1908.

BOSTON FINANCE COMMISSION,
436 Tremont Building, Boston, Mass.:

GENTLEMEN, — In accordance with your request for specifications on cylinder and engine oil at the Cow Pasture Pumping Station and also the Ferry Division, we would say that Mr. Davis has looked over the lubricating condition at these two places, and we enclose three specifications which we think will cover the necessary oil. These specifications are based largely on oils which have been used in the past at these stations; samples of which have been examined by us at different times.

We have specified a compounded cylinder oil for the Cow Pasture Pumping Station and a straight mineral oil, uncompounded, for the Ferry Division. We believe that a compounded oil such as we have prescribed for the Cow Pasture Station would be suitable for both places, and, in fact, better than a straight mineral oil; but, inasmuch as the Ferry Division has been using an uncompounded oil, it may be just as well not to make a change.

In regard to engine oil, we have given specifications which will provide a good grade of ordinary engine oil suitable for the machinery at both places. At the present time, the engine oil at the Cow Pasture Station is very

much lighter than the one specified or the one used at the Ferry Division, but in the past the same oil has been used at both stations, and we see no reason why it should not give perfect satisfaction. There is at the Cow Pasture Pumping Station some high-speed machinery, such as dynamos, upon which a lighter oil could be used to advantage, but, as the amount is small, it hardly seems worth while to provide another specification. In case you prefer to do this, we would advise an oil of the following constants:

Gravity	. . . . .	30° to 35° B.
Flash test	. . . . .	385° F.
Cold test	. . . . .	25° F.
Viscosity	. . . . .	175" at 100° F.

Yours very truly,
(Signed)

ARTHUR D. LITTLE.

SPECIFICATIONS FOR CYLINDER OIL FOR CITY OF BOSTON.

Ferry Division.

1. All cylinder oil bought under these specifications shall conform to the following definitions and tests:

a. It shall be composed of a clean, steam-refined Pennsylvania petroleum cylinder stock, dark green or reddish green in color.

b. Its *gravity* (Beaume) shall not be less than 24 degrees or more than 27 degrees.

c. The *flash test* shall not be less than 530 degrees Fahrenheit.

d. The *viscosity* shall not be less than 140 seconds (Saybolt) taken at 212 degrees Fahrenheit.

e. The *cold test* shall be 40 degrees Fahrenheit or lower.

f. It shall not show any precipitation of tarry or other foreign matter when 5 c. c. of the oil are shaken up with 100 c. c. of gasoline and allowed to stand for one hour.

2. Parties or firms desiring to bid on these specifications must submit to the City of Boston a quart sample accurately representing the oil which they propose to furnish. This sample will be kept as a standard, and shipments must in no important respect differ from the standard sample.

3. All shipments of oils under these specifications will be inspected and weighed upon arrival at destination. A sample will be taken at random and submitted to the above-named tests.

4. Shipments which fail to conform to these specifications may be rejected and returned at the discretion of the purchaser and at the expense of the seller.

Cow Pasture Pumping Station.

1. All cylinder oil bought under these specifications shall conform to the following definitions and tests:

a. It shall be composed of a clean, steam-refined Pennsylvania

petroleum cylinder stock, dark green or reddish green in color, compounded with three to five per cent. of acidless tallow oil.

b. Its *gravity* (Beaume) shall not be less than 24 degrees or more than 27 degrees.

c. The *flash test* shall not be less than 530 degrees Fahrenheit.

d. The *viscosity* shall not be less than 130 seconds (Saybolt) taken at 212 degrees Fahrenheit.

e. The *cold test* shall be 40 degrees Fahrenheit or lower.

f. It shall not show any precipitation of tarry or other foreign matter when 5 c. c. of the oil are shaken up with 100 c. c. of gasoline and allowed to stand for one hour.

2. Parties or firms desiring to bid on these specifications must submit to the City of Boston a quart sample accurately representing the oil which they propose to furnish. This sample will be kept as a standard, and shipments must in no important respect differ from the standard sample.

3. All shipments of oils under these specifications will be inspected and weighed upon arrival at destination. A sample will be taken at random and submitted to the above-named tests.

4. Shipments which fail to conform to these specifications may be rejected and returned at the discretion of the purchaser and at the expense of the seller.

SPECIFICATIONS FOR ENGINE AND MACHINE OIL FOR CITY OF BOSTON.

Cow Pasture Pumping Station and Ferry Division.

1. All engine and machine oil bought under these specifications shall conform to the following definitions and tests:

a. It shall be composed of a straight petroleum oil, clear and translucent, of a dark red or orange color and free from any trace of acid.

b. Its *gravity* (Beaume) shall not be less than 23 degrees or more than 28 degrees.

c. The *flash test* shall not be less than 400 degrees Fahrenheit.

d. Its *viscosity*, when taken at 100 degrees Fahrenheit, shall not be less than 200 seconds (Saybolt's Universal Viscosimeter).

e. It shall have a *cold test* of 30 degrees Fahrenheit or less.

2. Parties or firms desiring to bid on these specifications must submit to the City of Boston a quart sample accurately representing the oil which they propose to furnish. This sample will be kept as a standard, and shipments must in no important respect differ from the standard sample.

3. All shipments of oils under these specifications will be inspected and weighed upon arrival at destination. A sample will be taken at random and submitted to the above-named tests.

4. Shipments which do not conform to the above specifications may be rejected and returned at the discretion of the purchaser and at the expense of the seller.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO CHAPTER 437 OF
THE STATUTES OF 1908.

Boston, November 28, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — The attention of the Commission has been directed to the provisions of the Statutes of 1908, chapter 437, now before the City Council upon the question of its acceptance by that body, which authorizes the city to borrow \$70,000 outside of the debt limit for the improvement of Hyde Park avenue.

The Commission is of the opinion that this act should not be accepted. There is no more reason why money should be borrowed outside the debt limit for the purpose named in this act than for any number of other equally meritorious projects. Furthermore, there is no necessity that the amount of money in question should be borrowed outside the debt limit for any purpose. There is a sufficient borrowing capacity within the debt limit at the present time, and with an economical administration of the city's affairs there should be no difficulty in procuring \$70,000 and much larger sums for street improvements from the tax levy.

The Commission recommends, therefore, the rejection by the City Council of chapter 437 of the Acts of 1908.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY COUNCIL RELATING TO THE PUBLIC BUILDINGS DEPARTMENT.

Boston, November 30, 1908.

To the Honorable the Mayor and City Council:

GENTLEMEN, — The Public Buildings Department, as provided by the Revised Ordinances, is in charge of a superintendent who has "supervision of the condition and repairs of all buildings and parts of buildings belonging to or hired by the city not wholly in charge of one department, whether same are used for city or county purposes."

There are at present eighty-three buildings wholly or partially under the control of this department, including the City Hall, the Old Court House, wardrooms, armories, county buildings and leased quarters. It is impossible to make a general statement of the scope of the duties of the department in connection with the buildings under its charge, as these duties are not identically the same in connection with any two buildings. A few buildings are entirely maintained by the department, the cost of repairs, janitor service, and small supplies, including the greater part of the furniture, being provided by the department and charged to its appropriation. The authority over other buildings is most illogically divided between this and other city departments. City Hall is an example of this divided responsibility. The Public Buildings Department has charge of the heating and power plant, makes the repairs and furnishes one janitor; the City Messenger has charge of the rest of the janitor service and the cleaning generally, and the Bath Department cares for a public convenience station in the basement. Such a division of authority results in confusion of accounts, encourages duplication of service and prevents economical administration.

For the purpose of analyzing for this report the expenditures of this department they have been divided roughly into three divisions:

1. Salaries and wages of employees.
2. Purchase of furniture and supplies.
3. Repairs.

1. SALARIES AND WAGES OF EMPLOYEES.

On May 1, 1906, there were 142 employees in the department. By January 28, 1908, when the present incumbent succeeded to the office, the number had increased to 155. On September 15, 1908, the number had been reduced to 125.

On January 28, 1908, the annual pay roll amounted to \$106,004.04 per annum, and on September 15, 1908, to \$79,253.92 per annum. Thus a saving at the rate of \$26,750.12 per annum in the pay roll has been effected by the present superintendent, without reducing the efficiency of the department.

In its pay roll the department has made a sub-division called "Office Force," which includes not only those who may strictly be classed as office employees, but also a few men employed in a small repair shop in the basement of the Old Court House. This "Office Force" consisted on January 28, 1908, of 20 employees, with a pay roll of \$27,902.24 per annum. By September 15 it had been reduced to 12, with a pay roll of \$17,776.88. The reduction includes, however, the transfer of a weigher of coal, with a salary of \$1,000, to the Supply Department, so that the net saving to the city is at the rate of \$9,125.36 a year.

The Commission believes that further curtailment may be made in this force without impairing its efficiency. The department has employed an architect at a salary of \$2,500, and, until recently, a draftsman at \$1,300. The draftsman has died, and the position is now vacant. As the work consists chiefly of small repairs requiring neither architect nor draftsman, both positions should be abolished, and for necessary work of this kind outside help should be temporarily employed. This opinion is shared by the present superintendent.

If the above suggestions are adopted and other contemplated changes are made, a saving of nearly 50 per cent. will be made in the cost of the "Office Force" over that of 1907.

Apart from the "Office Force" the other permanent employees of the department consist almost entirely of janitors and their assistants, watchmen, elevator men, engineers and firemen. The number of these employees when the present superintendent assumed office amounted to 135, with an annual pay roll of \$78,101.80. On September 15, 1908, the number had been reduced to 113, with an annual pay roll of \$61,477.04; a decrease of \$16,624.76 per annum, without reduction of efficiency.

Upon the necessity of this amount of labor for the maintenance of the public buildings the Commission has secured expert advice. Three buildings have been taken as examples, City Hall, Old Court House, and No. 11 Wareham street. One expert examined the City Hall janitor service alone, and the other the total service in the three buildings. The former was of the opinion that \$10,000 was a fair price for the janitor service at City Hall, which, as already stated, is in charge of the City Messenger. As the pay roll for this service on May 1, 1908, amounted to \$13,032, an excess, according to this opinion, of 30 per cent. was being paid. The second expert was of the opinion that this service should be performed for \$6,156, or less than one-half the present cost.

The following table shows the amounts paid on the dates stated for the total service in the three buildings, including janitors, together with the expert estimates:

	Jan. 28, 1908.	Sept. 15, 1908	Estimated.
City Hall.....	\$24,170 00	\$20,686 00	\$12,256 00
Old Court House.....	13,077 50	7,140 50	4,356 00
No. 11 Wareham street.....	7,804 00	5,160 00	2,876 00
	\$44,851 50	\$32,986 50	\$19,488 00

The Commission recommends that the superintendent investigate the School Committee's system of janitor service and care of buildings. If such a system were carried into effect, the service would be improved and the expense reduced.

No. 11 Wareham street is at present largely used by the Wire Department. To operate the boiler and engine for heating and lighting an engineer and two firemen are employed at an expense of \$2,768 per year. The plant is too small for economical operation as an independent generating station. It can be rearranged so that the boiler will be used to furnish heat only and be cared for by the janitors and the electric current bought from the Edison Electric Illuminating Company at about \$600. The cost of heat and electric current in this building may thus be reduced by \$2,000.

The Commission believes that the pay roll of this department has for many years been grossly inflated for political purposes, that the present superintendent has effected a commendable saving, but that the pay roll is still further subject to material reduction without affecting the efficiency of the service.

2. PURCHASE OF FURNITURE.

It has been the custom of the department to purchase the greater part of the furniture used by the city and charge it against its own appropriations.

The department, however, has not purchased all the furniture, some departments having purchased their own, charging it to their own appropriation. There has been no record of the furniture purchased, of the transfer of furniture, which often occurs from one department to another, and no inventory of furniture on hand.

The department has purchased most of its furniture from William White, \$4,791 being paid to him in 1906 and \$11,891.50 in 1907. There was no competition in awarding these contracts, and the prices paid were exorbitant. One instance is illustrative. In 1907, without competition, he received a contract to place 364 filing cases in the Roxbury Court House for \$4 apiece, the total cost being \$1,456. Under the present superintendent a contract for placing 516 additional cases of exactly the same pattern was awarded after competition. In this competition White lowered his bid from \$4 to \$2.85, while the lowest bidder, a reliable con-

cern which received the contract, charged only \$1.60. In other words, the price paid under non-competitive conditions was just two and one-half times the price paid under competition.

This is the same contractor upon whose methods in connection with the Schoolhouse Department the Commission commented in its report of August 4, 1908, as having had dealings with that department amounting to over \$172,000 in seven years. His total dealings with the city during this period amounted to over \$210,000.

The purchase of supplies has been treated in the same way as furniture; that is, they have been made from favored firms without competition.

The general lack of system in the purchase of furniture and supplies, with the resulting disorder, waste and loss, has been very expensive for the city.

3. REPAIRS AND ALTERATIONS.

For many years repairs and alterations were made upon a jobbing basis. The work was given, with infrequent exceptions, to political friends of the administration without competition. It was inspected by an employee rated as "foreman steamfitter," qualified in his particular line, but without the experience or knowledge necessary to pass intelligently, or the time to inspect properly, the general work of the department. It was also his duty to approve the bills. The inspection was inadequate and the approval of bills perfunctory. As a result there was practically no check on inefficient work, and the amount of each bill depended on the honesty of the contractor. In one case when the inspector found men loafing on the work and made complaint to the superintendent no attention was given to the matter, and the bill rendered was approved by the superintendent and paid in full.

It is difficult to determine the full extent of the extravagance and waste in the matter of repairs. An indication of extravagance is furnished by the expenditures in two buildings.

The City Hall Building cost originally \$462,589.52, and the furnishings \$42,601.90 more, a total of \$505,191.42. During

the seven years ending January 31, 1908, there was expended on this building for furnishings \$52,358.92 and \$108,167.41 for repairs, a total of \$160,526.33, as shown in the following table:

Furniture	\$34,571 21	
Gas and electric fixtures	17,787 71	
		\$52,358 92
Painting and glazing	\$26,215 00	
Carpentry	18,841 61	
Plumbing	17,314 57	
Heating and ventilation	11,005 66	
Iron, copper and wire work	1,445 24	
Masonry	6,612 37	
Plastering and whitening	1,766 72	
Roofing and gutters	3,971 44	
Elevators	3,803 05	
Sundry repairs and alterations	17,191 75	
		108,167 41
		<u>\$160,526 33</u>

The Old Court House cost, with its extension, \$207,889.20. During the seven years ending January 31, 1908, there has been expended on this building for furnishings \$20,162.23 and for repairs \$68,859.91, a total of \$89,022.14, as shown in the following table:

Furniture	\$11,002 68	
Gas and electric fixtures	9,159 55	
		\$20,162 23
Painting and glazing	\$13,713 41	
Carpentry	20,210 70	
Plumbing	13,365 45	
Heating and ventilation	2,281 31	
Iron, copper and wire work	1,112 13	
Masonry	8,336 42	
Plastering and whitening	1,106 07	
Roofing and gutters	3,004 21	
Elevators	806 66	
Sundry repairs and alterations	4,923 55	
		68,859 91
		<u>\$89,022 14</u>

The Commission is of the opinion that in recent years the work has been conducted with gross extravagance, that unnecessary work has been performed and exorbitant prices

paid, and that the present superintendent has improved upon the former methods.

WARDROOMS.

In 1906 the city paid \$14,048.90 and \$14,620.69 in 1907 for the maintenance of a wardroom in each city ward as provided by ordinance. In some wards the city owns the building in which the wardroom is situated, and in other wards the city leases quarters for the purpose.

Since the adoption of the precinct voting plan, the use for which these wardrooms were originally established has practically ceased. They are now principally used for political meetings and private gatherings, ranging in their scope from a Chinese Sunday school meeting to a game of basketball. A fee of \$2 has been charged for the use of the wardrooms for public or political meetings, but until early this year no fee when used for private purposes. Although maintained at an annual expense in excess of \$14,000, the income from this source amounted in 1906 to \$290, and in 1907 to \$314. Even these small fees have not always been collected, though the rule provides for payment in advance. For use of wardrooms during the years 1906 and 1907 the Democratic City Committee owes \$590. The Law Department should be asked to bring suit on this and all similar claims.

The Commission recognizes the usefulness of these wardrooms for the purpose of supplementary registration and precinct polling, but the charge for private purposes and political meetings is entirely inadequate.

The wardroom in Ward 8 cost \$60,000. The receipts in 1906 were \$4, the expenses \$1,757.63. In 1907 the receipts were \$10, the expenses \$2,425.11. The receipts from the Ward 17 wardroom were \$8 in 1906 and the expenses \$2,689.43. The 1907 receipts were \$30 and the expenses \$1,848.57. The receipts from the Ward 19 wardroom in 1906 were \$4, the expenses \$1,764.48. In 1907 the receipts were \$16 and the expenses \$2,674.78. The income of the Ward 9 wardroom in 1906 was \$106 and the expenses \$667.80. In 1907 the figures were \$126 and \$1,294.57 respectively.

The property involved in these four cases is assessed at

\$163,605 and the city loses interest and taxes, as well as the maintenance.

Wardrooms which are rented should be given up at the earliest possible moment. Those which the city owns should either be discontinued and sold or put to uses commensurate with their cost.

AMBULANCE STATION.

The department maintains an ambulance station on National street, South Boston, on land leased from the Carney Hospital. The report of the department, dated February 1, 1907, says, "The station is open day and night, and answers calls at any hour, and at any section of the city, for persons desiring treatment at the Carney Hospital." The station, however, accommodates patients desiring treatment at other institutions in the city besides the Carney Hospital. Of 637 patients transferred during the year 1906-07, 424 patients were sent to the Carney Hospital, 213 to other institutions, and only 22 were transferred to the City Hospital. The report of the Hospital Department shows that their own ambulances transferred 478 patients from South Boston during the same period. The station was maintained at an expense of \$6,489.68 during the year 1906-07. This means that an average of $1\frac{1}{2}$ persons per day were transferred at an expense of \$10.18 for each. During the same period the City Hospital maintained its ambulance service for \$12,943.63 and transferred 7,834 patients, making the cost per patient \$1.65. If the City Hospital ambulances could have handled these 637 patients at this average cost per patient of \$1.65 each, the total cost would have been \$1,051.05 against \$6,489.68, a saving to the city of \$5,438.63 in a single year.

The question may be asked why the Public Buildings Department is engaged in conducting this station. The answer is, that the Hospital Department would not undertake it. On February 27, 1899, the Board of Estimate and Apportionment appropriated \$10,000 for the Hospital Department to build an ambulance station in South Boston. On September 1, however, the board rescinded this order and re-appropriated \$10,000 for an ambulance station in South Boston, the expenditure of which was to be under the charge

of the Public Buildings Department. The question was raised in the Common Council on September 21 as to why this change had been made, and the president explained that it was intended to locate the station on ground of the Carney Hospital and that the City Hospital Trustees did not approve of the location. The order, however, was passed, and on the recommendation of the Mayor, land for a site was leased from the Carney Hospital on a twenty-years' term at an annual rental of \$250. The building cost the city \$11,500 and at the termination of the lease will, unless removed by the city, become the property of the trustees of the Carney Hospital.

The Carney Hospital is a private institution, and although it does admirable service to the community there is no reason why an ambulance should be provided at the city's expense for one private hospital rather than for others. Such ambulance service as is needed in South Boston to supplement the police ambulance service should be furnished by the City Hospital.

The Commission recommends that the maintenance of this station by the Public Buildings Department be discontinued.

CLOCKS.

Up to May, 1907, the Fire Department had charge of the winding and regulating of thirty-one public clocks in the city. The service was performed in a satisfactory manner and without expense to the city. At that time this duty was transferred to the Public Buildings Department, and has since been carried on by it at an expense varying from \$1,272 to \$720 per annum. The service has been very unsatisfactory, complaints being recorded with the department with great frequency. On November 12, 1908, the care of the clocks was retransferred to the Fire Department. The Commission approves of such a transfer in the interest of economy and efficiency.

ANNUAL REPORTS.

The annual reports of the department have always been inadequate. That for 1907-08 contains ten printed pages purporting to give "a general idea of the repair work done by the department"; but this description, unaccompanied by any figure of cost, is useless. There is also a list of expendi-

tures in detail, but, except in the case of a few buildings, it is impossible to ascertain how much was expended on any particular building. No satisfactory account was kept for each building showing the expenses in detail until the year 1901, and at no time have the figures been published. The Commission believes that the reports should contain a concise statement of the amount expended during the year on each building, and believes that if this course had been followed in the past, the excessive expenditures on some of the buildings would have been detected and checked.

The Commission recommends:

1. That this department be given entire control over the maintenance of all buildings, including City Hall, any part of which is now placed by ordinance under its supervision.

2. That the positions of architect and draftsman be abolished.

3. That the Wareham-street plant be rearranged so that the janitors can care for the heating, and that the current be bought from the electric light company.

4. That the number of employees be reduced as herein recommended, and that the School Committee's system of employing janitors and caretakers be introduced so far as practicable.

5. That an inventory of all furniture be made, and that an exact record of all furniture purchased or transferred be kept in which each department shall be charged with the furniture received.

6. That the competitive system of awarding contracts be extended so as to include a larger range of competition, and that bids be solicited by advertisement as the law directs.

7. That the abuses of the present system of maintaining wardrooms be abolished.

8. That the South Boston ambulance station be discontinued.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO AN EXTENSION OF
THE TERM OF THE FINANCE COMMISSION
UNTIL JANUARY 31, 1909.

Boston, November 30, 1908.

To the Mayor and City Council, Boston, Mass.:

GENTLEMEN,—The term of office of the Finance Commission expires December 31, 1908. The Commission has accumulated a large amount of valuable material which ought to be the subject of carefully prepared reports. After a study of the situation the Commission is satisfied that it will be physically impossible for it to do this within the time at its disposal. If it is desired that these reports be made the Commission suggests that the following order be passed by the City Council:

Ordered, That for the purpose of completing its reports the term of office of the Finance Commission is hereby extended to January 31, 1909, and the said Commission is authorized to make its final report at any time on or before said January 31, 1909.

In making this suggestion, the Commission desires to say that if the order is passed it will decline to consider any new matters or undertake any new investigations after December 31, 1908.

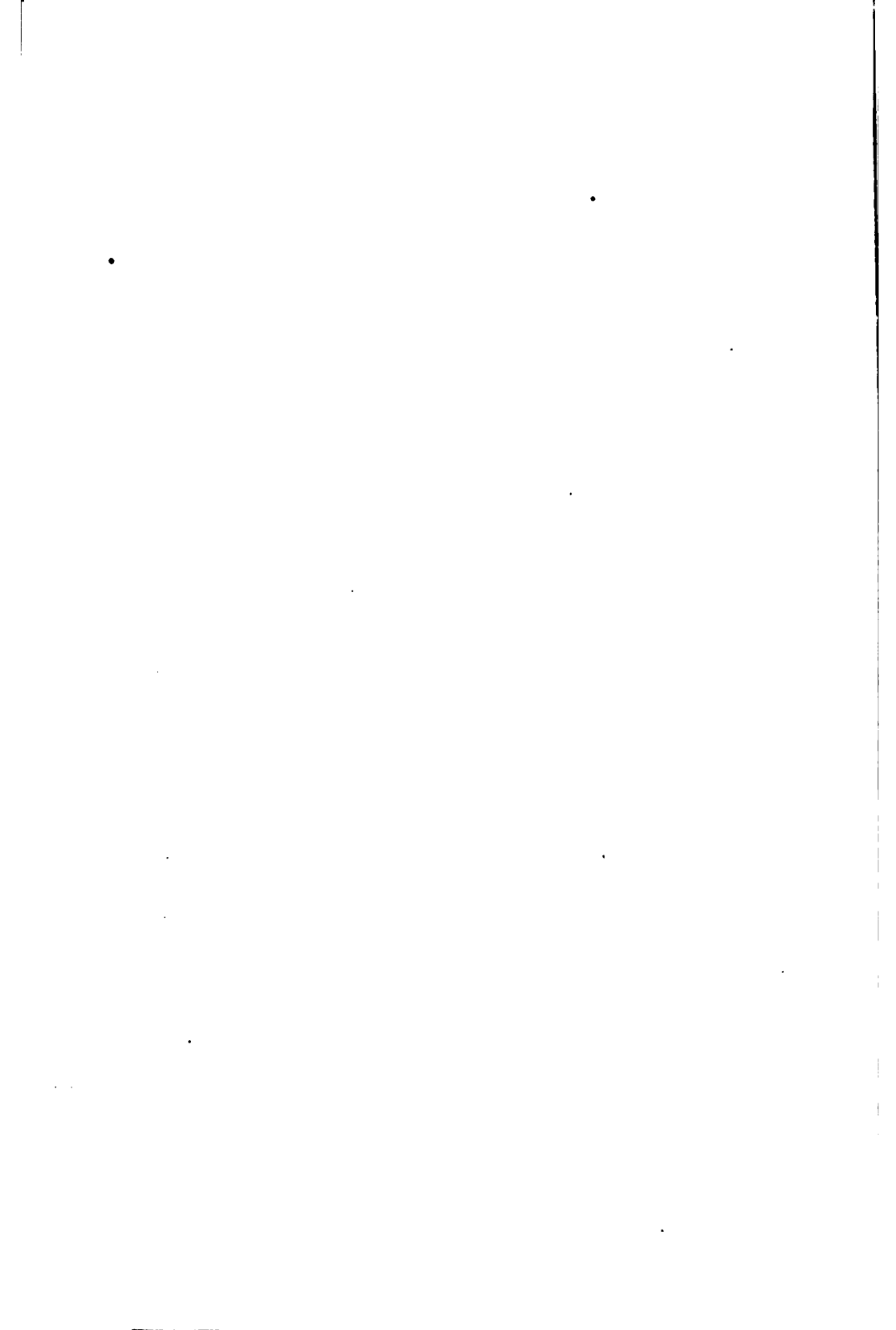
Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.



COMMUNICATION TO THE MAYOR AND CITY
COUNCIL RELATING TO THE TWO HUNDRED
DOLLARS APPROPRIATED BY THE COMMON
COUNCIL FOR BOOKS OR FURNITURE FOR
THE PRESIDENT'S ROOM.

BOSTON, December 9, 1908.

To the Honorable the Mayor and City Council :

GENTLEMEN, — In investigating the expenditures of the city during the current year the attention of the Finance Commission was called to the following facts :

On February 6, 1908, the Common Council passed the following order : That the president of the Common Council be authorized to expend a sum not exceeding \$200 for books and decorations for his office ; said sum to be charged to the appropriation for Common Council, contingent expenses.

On June 30, 1908, the City of Boston paid \$200 on a bill of which the following is a copy :

Tel. 879 Haymarket.

JAMES T. CASSIDY,
ATTORNEY AND COUNSELLOR-AT-LAW,
ROOM 311, PEMBERTON BUILDING, 12-20 PEMBERTON SQUARE,
BOSTON, June 23, 1908.

LEO F. McCULLOUGH, Esq.,
President Common Council, City of Boston.

To James T. Cassidy, Dr.

To one set Massachusetts Reports \$200 00

(Signed) JAMES T. CASSIDY,

Upon this bill was the following endorsement :

Approved for two hundred dollars.

(Signed) LEO F. McCULLOUGH,
President of Common Council.

Learning that the books referred to in this bill were not in the office of the president of the Common Council at City Hall and so far as it could be ascertained had never been there, the Finance Commission asked an explanation from

Leo F. McCullough, president of the Common Council, who under oath stated that in March last, intending to act under this order, he had bought from James T. Cassidy a set of Massachusetts Reports; that he had paid Cassidy for the same \$380, of which he had personally paid \$180 in cash and that the City of Boston later paid Cassidy \$200; that the books were taken directly to his (McCullough's) residence at No. 60 Fifth street, South Boston, where they now were; that the books belonged to the city and would be returned to City Hall at the expiration of his term of office or when anybody demanded them; that he did not know that he had looked at them more than a dozen times, since he hadn't had the chance to study much law.

James T. Cassidy testified under oath that he had never sold or delivered a set of Massachusetts Reports to the City of Boston or to McCullough; that he could not have done so because he had never owned more than one set of such reports; that this set he had obtained from the estate of Henry F. Naphen and had sold it in 1907 to Little, Brown & Co.; that he had no set of reports at any time in 1908; that he never received any money for a set of Massachusetts Reports either from the City of Boston or from McCullough; that in June, 1908, at McCullough's request he had personally written out on the typewriter the bill, a copy of which is above set forth, McCullough stating to him that there was "some money coming to him" (McCullough) from the city which required some "red tape" to collect; that later he was notified over the telephone either by McCullough or somebody representing him that the draft was ready at the City Auditor's office; that thereupon he went to the City Auditor's office, but found that the draft was not ready; that he then went upstairs to the room of the president of the Common Council where he found two men whose names he claims to be unable to give; that these men told him that they were to receive the money on the draft and seemed to know all about it; that he went with them to the City Auditor's office and there received the draft which he presented at the Treasurer's office, signing a receipt for \$200 on the Treasurer's book; that the money was passed out through the

window (at the cashier's counter) and was taken by one of the two men who had accompanied him; that he had never delivered a set of Massachusetts Reports or anything else to the city for this money, and he admitted that he signed the receipt and allowed the city to pay \$200 upon a bill for the sale of Massachusetts Reports when he knew no such sale had been made.

A clerk in the office of the City Auditor testified under oath that about June 23, 1908, McCullough came into the Auditor's office and introduced Cassidy to him, saying, "I want to introduce you to Mr. Cassidy. He will have a bill coming due here for some reports at my office the coming month"; and on the day of payment McCullough came in with Cassidy and said, "This is Mr. Cassidy here again — no need of my waiting, is there?"; that thereupon McCullough left the office; that Cassidy remained, receipted the bill and received a check for payment at the Treasury Department.

Representatives of Little, Brown & Co., under oath, confirmed Cassidy's statement as to his sale to that firm of the set of Massachusetts Reports, and stated that the transaction took place in July, 1907.

Inquiry at No. 60 Fifth street, South Boston, made immediately after McCullough's testimony that the books which he said that he bought were at that place, disclosed the fact that no such books were there.

From the foregoing evidence it appears that a bill was made by Cassidy at McCullough's request which was false and known by both to be false, but was approved by McCullough as president of the Common Council on which the city paid \$200 and received nothing in return.

The Commission calls the attention of the Mayor, City Council and District Attorney to the foregoing facts.

Respectfully submitted,

THE FINANCE COMMISSION,

by

NATHAN MATTHEWS,

Chairman.

APPENDICES

APPENDIX A.

REGULATIONS OF THE FINANCE COMMISSION IN RELATION TO PUBLIC HEARINGS.

Regulations established at first series of public hearings beginning September 3, 1907, and given to the press at that time:

It is the desire of the Commission to extend every reasonable privilege to witnesses at public hearings. The practical problem is a difficult one. If counsel for witnesses are allowed to intervene, so much time will be consumed and so much confusion created that thorough investigation will be impossible. The best plan seems to be for the Commission to adopt the practice of the Armstrong Insurance Committee, in New York. That is, it will permit any person retained in the interest of a witness, to submit to the Commission in writing any questions which he thinks ought to be put to the witness and such questions will be put by counsel for the Commission, if pertinent and proper.

Every witness will also be allowed, under advice of counsel or of his own motion, to decline to answer questions which may tend to incriminate him, and to make any pertinent statement, either at the beginning or the end of his examination. Such a statement may be prepared under advice of counsel.

The Commission believes that these privileges, though not legal rights, will meet all just claims of witnesses.

Read by the Chairman at the Public Hearing of November 8, 1907:

The statute giving the Finance Commission power to summon witnesses, etc. (Chapter 481 of Acts of 1907) authorizes the Commission to adopt "reasonable regulations" for the conduct of public hearings held by it.

The Commission will permit any person retained in the interest of a witness to submit to the Commission in writing any

questions which he thinks ought to be put to the witness, and such questions will be put by the chairman, if pertinent and proper.

Every witness will also be allowed, under advice of counsel or of his own motion, to decline to answer questions which may tend to incriminate him.

A witness will also be allowed to make any pertinent statement, either at the beginning or the end of his examination. Such statement may be prepared under advice of counsel.

The Commission will receive from any person not called as a witness, who desires to volunteer at public hearings information or testimony relating to the work of the Commission, a request in writing, addressed to the Commission and stating in brief the matters upon which the writer desires to be heard. If the Commission deems such information or testimony relevant and helpful, a time and place will be designated at which the same may be publicly given.

These rules are to be regarded not as creating a right, but as extending a privilege, and if any person taking advantage of them misconducts himself, or the privileges are otherwise abused, the Commission reserves the right to withdraw the same.

No person shall take part in, interrupt, or in any way interfere with the proceedings of the Commission at a public hearing without its leave.

No disorderly conduct and no loud, boisterous, threatening, or otherwise improper language will be permitted in the presence of the Commission.

Any person violating any of the foregoing rules shall be warned by the Chairman of the Commission, and if he then persists, he shall be removed from the room.

Read by the Chairman of the Public Hearing of November 15, 1907:

The Finance Commission desires to make a statement in explanation of its rules with respect to the cross-examination of witnesses at public hearings. The suggestion that oral cross-examination be permitted evidently results from a fundamental misconception of the true function of the Commission. Its procedure must of necessity differ in many particulars from that of a court. There is no decision which finally establishes the rights of any who are examined in the course of its investigation. It

hears evidence which ultimately may cause the City of Boston to begin civil suits, or the Commonwealth to begin criminal proceedings, in either of which the party defendant who was merely a witness before this Commission may have the benefit of counsel, the right of cross-examination, and all other privileges permitted by our laws for his protection. The Commission is not engaged in prosecuting any person. Its findings are advisory only. The Commission, acting as an agent of the City of Boston, is investigating the conduct of municipal affairs with a view to discovering a remedy for any evil it may find. Its inquiry primarily relates to the administration of City affairs as shown by the conduct of City officials and only incidentally to the conduct of those with whom the City has had contractual relations. The subjects under investigation are numerous and varied, and must necessarily occupy a large amount of time. The public hearings of the Commission can not consume a large proportion of its available time without causing it to neglect other work of greater importance. As it is an unpaid body and its members have devoted and must continue to devote most of their time to this public duty, to the detriment of their private affairs, it must shape its course so as to finish its work and accomplish the best results before December 31, 1908, when its tenure ends by limitation of law. It is manifestly impossible to make a complete study of all matters necessary to reach these results if each witness involved in its inquiries is to be treated as a party defendant, and given all the privileges which a court would give him as such in a trial. That course would prolong the hearings beyond all reasonable limits without corresponding benefit.

The practice adopted by the Commission for the conduct of its public hearings, is that under which the New York Insurance investigation was conducted. In that case counsel for various individuals and corporations desired to cross-question witnesses, and were at first permitted to do so, but it was soon found that such a course was impracticable and the Committee decided to permit no examination of witnesses except through its counsel, Mr. Hughes.

The Commission recognizes the duty of conducting its hearings fairly and impartially, but the investigation must be its own and under its personal guidance. It has no desire to discover anything except the truth, and is as ready to report favorably as unfavorably upon any subject. It has not done and will not do injustice to anybody, and its counsel will continue to treat

witnesses with absolute fairness; but it cannot in justice to the people of this City, regard its public hearings as if it were a court, sitting for the purpose of acquitting or condemning every person who as an employee of the City or otherwise may have taken part in the transactions under investigation. A person who is examined is not a party to litigation in any sense of the word; he is merely a witness and will be given all the rights which as a witness he would receive in court. He may have the advice of counsel as to answering questions which would tend to incriminate him, and if he conducts himself properly he will have the further privileges, which are never accorded him in court, to wit: to make any pertinent statement at the beginning or close of his examination, and to submit written questions to other witnesses, which, if material and helpful, will be put by the Commission. This procedure will serve the interests of truth without denying justice to any person.

On the other hand, if witnesses were to be treated as defendants, each City official, each contractor, and every employee of the City or of a contractor, would have the right to be represented by counsel with full power of cross-examination. This course could not fail to defeat or at least seriously impair the objects which the Commission was created to accomplish. To illustrate: In the recent coal investigation if the proposed practice had been adopted, no less than 34 witnesses might have been represented by counsel. The inevitable results, would have been the multiplication and diversification of issues, the subordination of real and important questions to false and trivial ones, the prolongation of the inquiry, with the resulting total inability on the part of the public to follow the proceedings intelligently.

The Commission, therefore, decides to continue the practice followed at the last two hearings. It reserves, however, the right to modify or withdraw these privileges should they be abused.

Ruling made by the Chairman at the Public Hearing of December 5, 1907, in reply to a request by Counsel for a witness for leave to cross examine orally:

The Chair will state that the Commission has heretofore given careful consideration to the law and practice obtaining in cases like this.

It understands the law to be that no witness even in a court of justice has the legal right to be represented by counsel. There are many decisions to this effect. Those most nearly analagous, most in point, upon proceedings of this sort, assuming for the time being that this Commission is sitting as a court, are the bankruptcy cases where, in proceedings by the trustee to determine whether or not the debtor has falsely concealed his assets, it is common to examine under oath; and although the witnesses may very likely become defendants in civil suits, or even in criminal proceedings, it is well settled that they are not entitled to be represented by counsel. I may refer to a decision of the United States Court by the late Judge Lowell, and this decision has been followed in other federal jurisdictions.

In our case, however, the Commission is not sitting as a court. It is not a court. It has no final jurisdiction or power to determine any controverted question of fact or law. There are no parties here, there are no defendants. The proceedings are nothing but an inquiry in the interest and at the request of the City of Boston. The rights of no person brought before the Commission as a witness or otherwise mentioned in the proceedings can be in any manner affected by anything that this Commission may do. It has, in a word, no jurisdiction of any final character. Its functions are advisory merely.

The practical reasons against adopting the course suggested, even if it were legally permissible, are overwhelming. These reasons were stated by the Chair on the public hearing of November 15, and need not be repeated here. It must be apparent that if every witness were permitted counsel with the privilege of examining orally that witness and every other witness, the proceedings would never end, and the object for which the Commission was appointed would not be accomplished.

Upon the last occasion when this subject was referred to, a recent precedent of high authority was mentioned. I refer to the proceedings of the so-called Armstrong Committee appointed by the New York Legislature winter before last in the famous insurance cases. The Finance Commission had the proceedings of that Committee in mind in formulating the rules which it laid down last summer for its guidance at the public hearings. It is in receipt of a letter which I think it might be pertinent to read at this point from the gentleman—Mr. James McKeen—who was associated with Governor Hughes as counsel for the New York Insurance Committee. The letter is as follows :

"NEW YORK, November 11, 1907.

HON. NATHAN MATTHEWS:

MY DEAR SIR,—In response to your oral inquiry as to the methods pursued by the Armstrong Committee in the recent legislative life insurance investigation in New York, as regards the rights extended to counsel, I beg to say, the question came up at the outset of the public hearings had by the Armstrong Committee and the matter was disposed of by the Committee in accordance with the conclusion previously reached after very careful consideration.

The Committee announce that as a matter of courtesy the appearances of counsel for the various life insurance companies to be investigated would be taken and entered upon the record, but that this courtesy must not be construed as conceding any rights to the companies to appear or to be heard by counsel. The Committee as a matter of courtesy invited suggestions from the various counsel who entered their appearances as to the method of procedure. Very little advantage however was taken of this invitation, and very few suggestions were made of any importance. As the investigation proceeded, it became entirely obvious that it would be impossible to allow the examination to be conducted by other counsel than a counsel for the Committee and by members of the Committee. The counsel appearing for the companies and counsel who now and then appeared for individual witnesses were requested to submit in writing any questions which they desired put to any witnesses, and this course was pursued throughout the investigation. These suggestions were made very informally; being handed up to the Committee's counsel. As a rule all requests of this kind, that questions be put, were complied with. Of course, it happened several times that counsel of a pugnacious character attempted to break through the rules and insisted upon making and arguing objections. Such conduct was severely reprimanded. In some instances, also counsel interfered to the extent of advising witnesses not to answer questions that were put.

On the whole I may say that the rule adopted by the Committee worked very well and the general opinion expressed by counsel of the companies and witnesses after the close of the investigation was that the Committee had treated them with very great courtesy and fairness.

Yours very truly,

JAMES McKEEN."

This Commission, while following in the main the practice established by the Armstrong Committee and while granting, in the interest of witnesses, all the privileges which were granted by that Committee, has seen fit to extend certain other privileges, such for instance as the privilege of making a statement, if he sees fit to, which is pertinent to the subject matter of the inquiry.

The Commission is also of the opinion that while it is somewhat unusual according to the prevailing practice in the courts to submit questions to witnesses in writing, that practice has worked expeditiously and fairly in the present instance. The

Commission is of the opinion that if any other course had been adopted, it would have prolonged the hearings to a far greater extent than has been the case.

The Commission therefore, sees no reason for changing its rules.

APPENDIX B.

APPENDIX B.

TABLES RELATING TO THE COLLECTING DEPARTMENT, REFERRED TO IN THE REPORT OF OCTOBER 24, 1907, SUPRA PAGE 62.

A. — Collections to the Close of Each Fiscal Year (January 31) on Account of the Warrants for Taxes on Real and Personal Property Issued during That Year.

FISCAL YEAR.	Per cent. Collected.	Per cent. Abated.	Per cent. Uncollected at Close of the Year.
1891-92.....	88.88	0.72	10.40 *
1892-93.....	90.11	0.83	9.06 *
1893-94.....	88.10	0.87	11.03 *
1894-95.....	88.93	0.79	10.28 *
1895-96.....	87.90	0.69	11.41 *
1896-97.....	87.04	0.72	12.24
1897-98.....	87.10	0.62	12.28
1898-99.....	86.51	0.63	12.86
1899-1900.....	85.31	0.65	14.04
1900-01.....	86.06	0.85	13.09
1901-02.....	86.30	0.71	12.99
1902-03.....	85.75	0.73	13.52
1903-04.....	85.04	0.77	14.18
1904-05.....	85.018	0.76	14.222
1905-06.....	85.281	0.69	14.05
1906-07.....	86.086	0.814	13.10

* Average, 10.41.

B. — Poll Tax Collections.

FISCAL YEAR.	Total Warrants Issued during the Year.	On the Warrants for the Year.	On the Warrants for the Preceding Year.	On Warrants for Other Years.	Total Collections during the Year.	Percentage of Total Collections to Warrants for the Year.
1892-93.....	\$286,441 50	\$98,212 50	\$23,114 50	\$1,057 00	\$122,384 00	.429
1893-94.....	290,350 00	84,047 00	33,879 00	247 00	118,173 00	.407
1894-95.....	286,892 00	93,145 00	41,231 00	1,231 00	135,607 00	.473
1895-96.....	294,710 00	92,793 00	31,833 00	477 00	125,103 00	.424
1896-97.....	311,820 00	84,672 00	29,185 00	358 00	114,215 00	.366
1897-98.....	323,994 00	79,102 00	30,969 00	188 00	110,259 00	.340
1898-99.....	321,878 00	71,077 00	27,693 00	262 00	99,032 00	.307
1899-1900.....	333,552 00	69,990 00	24,062 00	538 00	94,590 00	.283
1900-01.....	344,906 00	75,637 00	28,768 00	1,816 00	106,221 00	.308
1901-02.....	351,924 00	74,185 00	33,326 00	1,398 00	108,909 00	.309
1902-03.....	351,236 00	68,087 00	29,912 00	688 00	98,687 00	.281
1903-04.....	357,578 00	68,932 00	34,785 00	810 00	104,527 00	.292
1904-05.....	363,002 00	64,660 00	34,122 00	852 00	99,634 00	.274
1905-06.....	366,854 00	64,920 00	30,962 00	870 00	96,752 00	.263
1906-07.....	367,106 00	80,889 00	95,910 00	1,332 00	178,131 00	.485

C. — Annual Expenditures.**FISCAL YEAR**

1885-86	.	.	.	.	.	.	\$52,835 96
1886-87	.	.	.	.	.	.	53,939 40
1887-88	.	.	.	.	.	.	58,656 91
1888-89	.	.	.	.	.	.	60,798 69
1889-90	.	.	.	.	.	.	61,564 58
1890-91	.	.	.	.	.	.	71,504 63
1891-92	.	.	.	.	.	.	63,661 66
1892-93	.	.	.	.	.	.	84,399 40
1893-94	.	.	.	.	.	.	85,998 08
1894-95	.	.	.	.	.	.	91,062 60
1895-96	.	.	.	.	.	.	92,693 72
1896-97	.	.	.	.	.	.	93,000 00
1897-98	.	.	.	.	.	.	97,470 73
1898-99	.	.	.	.	.	.	105,000 00
1899-1900	.	.	.	.	.	.	103,500 00
1900-1901	.	.	.	.	.	.	113,279 66
1901-1902	.	.	.	.	.	.	119,072 96
1902-1903	.	.	.	.	.	.	129,998 88
1903-1904	.	.	.	.	.	.	125,950 00
1904-1905	.	.	.	.	.	.	134,996 34
1905-1906	.	.	.	.	.	.	134,927 52
1906-1907	.	.	.	.	.	.	134,983 16
1907-1908 (Appropriation)	.	.	.	.	.	.	160,000 00

D.—Changes in the Number of Employees.

CALENDAR YEAR.	Number Retired.	Number Appointed.	Net Changes in Number.
1885.....	3	3	—
1886.....	1	—	—1
1887.....	—	3	3
1888.....	—	—	—
1889.....	3	2	—1
1890.....	1	4	3
1891.....	2	9	7
1892.....	—	—	—
1893.....	4	4	—
1894.....	1	5	4
1895.....	—	—	—
1896.....	5	5	—
1897.....	5	6	1
1898.....	3	2	—1
1899.....	1	4	3
1900.....	13	11	—2
1901.....	17	11	—6
1902.....	1	23	22
1903.....	2	2	—
1904.....	3	3	—
1905.....	3	—	—
1906.....	7	21	14
1907 to June 1.....	1	6	5

APPENDIX C.

APPENDIX C.

RULINGS BY THE COMMISSION AT THE HEARINGS OF MARCH 26 AND 27, 1908.

On March 26, 1908, upon the examination of a witness concerning the operations of an association of persons and corporations engaged in the structural steel business, objection was made by counsel for some of the companies involved to the admission of evidence concerning the scope and purpose of the association and to the admission of a book containing records or correspondence of the association.

Upon this question the Chairman ruled as follows:

The question which the Commission has been asked to consider may be divided into two parts:

1. The general question of law whether it is competent to show the existence of a general combination or conspiracy affecting generally all customers, including the City of Boston.

2. The other question is rather of practice or discretion, and relates to the extent to which the Commission would be justified in giving publicity to names, accounts, or other individual details of transactions, not immediately affecting the City of Boston, which might be incidentally disclosed during the reception of evidence upon the main question.

The charge is made that a general combination or conspiracy has been created and is being maintained among the dealers in structural iron and steel in this vicinity which affects all customers, including the City of Boston. The dealings with the City of Boston are alleged to be a part only of the operation of this general combination. The

book referred to is admitted to contain references to dealings with the City of Boston as well as to dealings with other persons. Some evidence has already been given tending to show the existence of such a combination. The evidence which this witness is asked to give, and which this book may contain, may or may not disclose additional evidence upon that point.

The Commission concludes that the methods and books of the "Boston Agreement" are competent to show the existence of a general combination or conspiracy among the dealers in structural steel and iron in this vicinity affecting customers generally, including the City of Boston.

As to the other question, whether the names, accounts or other details which may be incidentally disclosed by the oral examination or by the book shall be made public, either by giving them to the press or by spreading them upon the official minutes of these hearings, the Commission will hear counsel.

The Commission has no desire or right to inquire into private business, whether lawful or unlawful, which does not affect the financial interests of the City of Boston, and it has no purpose to disclose names, accounts or individual transactions unconnected with municipal business or methods of administration.

The evidence of the witness having been received and the book in question produced, a further question arose at the hearing of March 27, 1908, as to the extent to which it was competent for counsel to show particular dealings between the Association and parties other than the City of Boston, and the Chairman ruled that the witness could be asked to testify to dealings between members of the Association and the City of Boston, the Commonwealth, the Boston Transit Commission, and the various Metropolitan Boards; also, as to dealings between the members of the Association and the Boston Elevated Railway Company, on the ground that the city had, under statute 1897, chapter 500, section 10, a pecuniary interest in the cost of the company's plant; also, as to dealings between members of the Association and the

different railway companies doing business in the City of Boston, in so far as these dealings related to the construction of bridges incidental to the abolition of grade crossings, to which the City of Boston contributed a part of the cost.

Evidence as to particular dealings between members of the Association and parties other than the foregoing, whether resident in this Commonwealth or outside, were excluded.

APPENDIX D.

APPENDIX D.

ACTS AND RESOLVES OF MASSACHUSETTS.

1908.

[CHAP. 562.]

AN ACT TO DEFINE THE POWERS OF THE FINANCE COMMISSION OF THE CITY OF BOSTON.

Be it enacted, etc., as follows:

SECTION 1. The commission of seven appointed by the mayor of the city of Boston under the authority of two certain orders of the city council of said city, approved by the mayor, January twenty-ninth and March seventh, nineteen hundred and seven, respectively, to examine into all matters pertaining to the finances of the said city, including appropriations, debt, loans, taxation, expenditures, bookkeeping, administration and other matters more particularly set forth in said orders, is hereby given authority to prosecute the said investigation, to inquire into the management of the business of said city, and to inform itself as to the manner and methods in which the same is or has been conducted. The commission shall report its findings and recommendations to the general court.

SECTION 2. For the purpose of enabling the commission to perform the duties and carry out the objects contemplated by said orders and by this act, and to enable the general court to receive the aforesaid findings and recommendations as a basis for such laws relating to the government of said city as the general court shall deem meet to enact, the commission shall have power to require the attendance and testimony of witnesses and the production of all books, papers, contracts and documents relating to any matter within the scope of the said investigation, or which may be material in the performance of the duties imposed by said orders and this act. Such witnesses shall be summoned in the same manner

and be paid the same fees as witnesses before the municipal courts of said city. Each of such witnesses may be represented by counsel who may cross-examine the witness for whom he appears for not more than ten minutes during his examination. The chairman or any member of the commission may administer oaths to or take the affirmation of witnesses who appear before the commission. The commission may prescribe reasonable rules and regulations for the conduct of hearings and the giving of testimony.

SECTION 3. If any person so summoned and paid shall refuse to attend, or to be sworn, or to affirm, or to answer any question, or to produce any book, contract, document or paper pertinent to the matter of inquiry in consideration before the commission, a justice of the supreme judicial court or of the superior court, in his discretion, upon application by the commission or any member thereof, authorized thereto by vote of said commission, may issue an order requiring such person to appear before the commission, and to produce his books, contracts, documents and papers and to give evidence touching the matter in question. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

SECTION 4. Any person so summoned and paid who shall refuse to attend, or to be sworn, or to affirm, or to answer any question, or to produce any book, contract, document or paper pertinent to the matter in consideration by the commission, and any person who wilfully interrupts or disturbs, or is disorderly, at any hearing of the commission shall be punished by a fine not exceeding fifty dollars, or by imprisonment for not more than thirty days, or by both such fine and imprisonment.

SECTION 5. Any person who wilfully swears or affirms falsely before the commission upon any point material to the matter of inquiry shall be guilty of perjury, and shall be subject to the provisions of chapter two hundred and ten of the revised laws and amendments thereof.

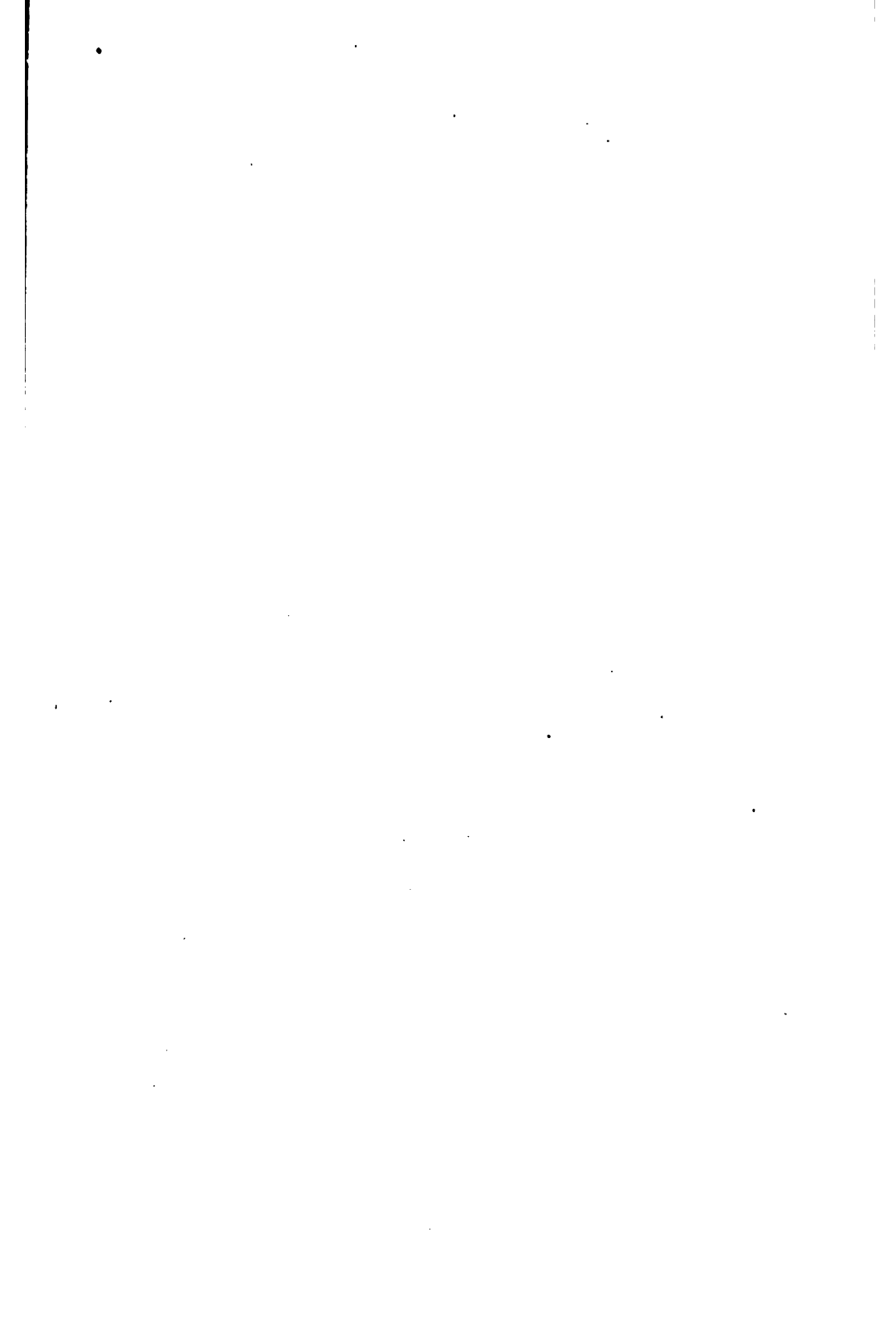
SECTION 6. Upon application by the commission to any justice of the supreme judicial court, or of the superior court, the said justice may issue a commission to one or more compe-

tent persons in another state for the examination of a person without this commonwealth relative to any matter within the scope of the said investigation or of this act. The testimony of such person may be taken by open commission, or otherwise under the procedure, so far as the same may be applicable, provided by section forty-three of chapter one hundred and seventy-five of the revised laws, and the said justice may issue letters rogatory in support of said commission.

SECTION 7. Nothing in this act shall be construed to compel any person to give any testimony or to produce any evidence, documentary or otherwise, which may tend to incriminate him.

SECTION 8. The powers granted by this act shall cease on the thirty-first day of December, nineteen hundred and eight.

[Approved June 1, 1908.]



APPENDIX E, APPENDIX F
AND
APPENDIX G.

APPENDIX E.

LIST OF REPORTS SUBMITTED TO THE FINANCE COMMISSION BY METCALF & EDDY, CIVIL ENGINEERS.

No.	Date.	Subject.
1.	Sept. 17, 1907.	Annual Reports of the Water and Street Departments.
2.	Oct. 11, 1907.	List of Contractors, Sewer Department.
3.	Nov. 15, 1907.	Contract Work done in 1906 and 1907 by the Water Department.
4.		Miscellaneous Reports:
A.	Aug. 26, 1907.	Ages and terms of Service of Labor Force in Water Department.
	Sept. 3, 1907.	Supplementary report on the above.
B.		Various reports on coal.
5.	Dec. 21, 1907.	Efficiency of the Day Labor Force of the Sewer Department — Rental of Machinery.
6.	Dec. 23, 1907.	Cost of Pipe Laying in the Water Department.
7.	Dec. 23, 1907.	Cost of Holidays and Sick Leave of Day Labor Force in the Water Department.
8.	Dec. 21, 1907.	Efficiency of the Day Labor Force of the Sewer Department; Work of the Brick Masons.
9.	Dec. 23, 1907.	Efficiency of Labor as Affected by the Age of Employees in the Sewer and Water Departments.
10.	Dec. 24, 1907.	Efficiency of the Day Labor Force of the Sewer Department; Organization.
11.	Dec. 27, 1907.	Introductory Report, Sewer Department.
12.	Dec. 24, 1907.	Efficiency of the Day Labor Force of the Sewer Department — Winter Work.
13.	Jan. 6, 1908.	Certain Contracts for Cleaning Catch-basins in the South Boston District.
14.	Jan. 6, 1908.	Cost of Hydrant Maintenance in Winter in the Water Department.
15.	Jan. 7, 1908.	Comparison of Costs of Work—in neighboring cities — Water Department.
16.	Jan. 8, 1908.	The Annual Department Reports.
17.	Jan. 29, 1908.	Sewer Legislation.
18.	Jan. 29, 1908.	The Separate System of Sewerage.
19.	Feb. 29, 1908.	Inspection and Cleaning of Catch-basins by the Sewer Department. (With Map.)
20.	Mar. 3, 1908.	Annual Report of the Sewer Department.
21.	Mar. 7, 1908.	Sewer Cleaning.

No.	Date.	Subject.
22.	Mar. 11, 1908.	The Metropolitan Sewerage Districts now Tributary to the Main Drainage Works of the City of Boston. (With Map.)
23.	Mar. 14, 1908.	Annual Report of the Sewer Department.
24.	Mar. 17, 1908.	The Boston Marginal Conduit.
25.	Mar. 17, 1908.	Report to Water Commissioner upon Suggestions for the Annual Report of the Water Department.
26.	April 10, 1908.	Sewer Cleaning.
27.	April 10, 1908.	Summary of Expenditures for Separate System of Drainage, 1903 to 1907 inclusive.
28.	April 28, 1908.	Organization of the Boston Water Department.
29.	May 13, 1908.	Work Done in the Machine Shop of the Boston Water Department.
30.	May 9, 1908.	Organization of the Sewer Division of the Boston Street Department with Suggestions for its Improvement.
30a.	May 29, 1908.	Adequacy of the Water Supply to the South Boston District for Fire Protection.
31.	June 16, 1908.	Loss to the City of Boston Resulting from the Operation of the Water Department in the years 1906 and 1907.
32.	July 2, 1908.	Report upon Water Commissioner Hannan's proposed Reorganization of the Boston Water Department.
33.	July 3, 1908.	Comparative Organization of Forces and Labor Costs on Maintenance of Certain Works Operated by the Boston Water Works in 1897 and the Metropolitan Water Works in 1898.
34.	July 7, 1908.	Probable Cost of Certain Sewer Work Pending in 1908 if done by Contract instead of by Sewer Department Labor as Proposed.
35.	July 9, 1908.	Number of Men in the Boston Water Department each Year, 1885 to 1908 inclusive.
36.	July 25, 1908.	Methods of Making Ordinary Extensions to Water Works in Other Cities.
37.	July 28, 1908.	Service Pipe Connections—Boston Water Department.
38.	July 28, 1908.	Annual Report of the Supply Department.
39.	July 28, 1908.	Sewer Contracts, 1905, 1906 and 1907. Part I.
40.	July 12, 1908.	Sewer Contracts, 1905, 1906 and 1907. Part II.
41.	Aug. 6, 1908.	Cost of Catch-basin Construction for the Fiscal Years 1906-07.
42.	Aug. 8, 1908.	Day Labor <i>vs.</i> Contract Sewer Construction, with Comparative Cost of Building Sewers by Day Labor and by Contract in various New England Cities.
43.	Aug. 31, 1908.	Number of Employees and Amount of Pay Roll During the Weeks Ending October 3, 1907, and August 6, 1908, in the Paving Division of the Street Department.

No.	Date.	Subject.
44.	Sept. 9, 1908.	Probable Annual Loss to the City in the Years 1906 and 1907, Resulting from the Existing Method of Doing Work in the Boston Sewer Department.
45.	Sept. 9, 1908.	Comparison of the Number of Employees in the Boston Water Department on September 30, 1907, and August 3, 1908.
46.	Sept. 11, 1908.	Comparison of Number of Employees in the Sewer Division of the Street Department upon September 30, 1907, and August 3, 1908.
47.	Sept. 26, 1908.	References to Reports Showing Abuses in the Boston Sewer Department.
48.	Sept. 26, 1908.	References to Reports Showing Abuses in the Boston Water Department.
49.	Sept. 26, 1908.	Work Done by the Street Laying-out Department on Account of the Sewer Division.
50.	Sept. 29, 1908.	Summary of Investigations of the Sewer Department.
51.	Sept. 29, 1908.	References to Samuel Whinery's Reports Showing Abuses in the Boston Street Paving Department.
52.	Oct. 6, 1908.	Use of Water in City Departments.
53.	Oct. 8, 1908.	Present and Future Suitability of Lake Cochituate as a Source of Water Supply.
54.	Oct. 7, 1908.	Relative Cost of Day Labor Work in Sewer Division of the Street Department this Year and Last.
55.	Oct. 13, 1908.	Reorganization of the Street Department Proposed by Mr. Guy C. Emerson, Superintendent of Streets. (Under date of September 14, 1908.)
56.	Oct. 14, 1908.	Method of Computing Payments for Serial Bonds with Formulæ and Tables.
56a.	Oct. 17, 1908.	Cost of Construction of Certain Streets in the Fenway District.
57.	Oct. 22, 1908.	Test Run of the Chestnut Hill Avenue Crusher.
58.	Oct. 22, 1908.	Actual Number of Men and the Reasonably Necessary Number of Men to be Employed in the Water, Sewer and Paving Divisions for Maintenance.
59.	Oct. 23, 1908.	Summary of the Results of the Investigation of the Water Department.
60.	Oct. 26, 1908.	Comparison Between Wages Paid for Labor by the City of Boston and by Other Cities and Private Parties.
61.	Nov. 17, 1908.	"Fenway" Contracts and Sewers in Back and Otter Streets, Built by Day Labor.
62.	Dec. 1, 1908.	Supplementary Report on the Construction of Certain Streets in the Fenway District.

APPENDIX F.

LIST OF REPORTS SUBMITTED TO THE FINANCE COMMISSION BY S. WHINERY, CIVIL ENGINEER.

No.	Date.	Subject.
1.	Feb. 14, 1908.	The City Stone Crushing Plants and the Cost of Crushing Stone.
2.	Mar. 16, 1908.	The Annual Reports.
3.	Mar. 20, 1908.	Prices and Cost of Pavements in Boston.
4.	April 10, 1908.	Contract Work and Work Done by the City on the Columbus Avenue Paving Improvement.
5.	April 24, 1908.	Recording and Accounting for Supplies and Labor.
6.	May 1, 1908.	The Proposed Sale of Certain Crusher Plants and the Bids Received Therefor.
7.	June 1, 1908.	General Street Construction and Repair Work in Boston.
8.	July 1, 1908.	Proposed Reorganization of the Paving Division, Street Department of Boston.
9.	July 5, 1908.	Methods of Doing Street Work.
10.	July 27, 1908.	Sundry Matters Relating to Street Pavements in Boston.
11.	Sept. 25, 1908.	Sidewalks.
12.	Oct. 9, 1908.	Abstract of Reports — 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11.
13.	Oct. 19, 1908.	Comments on the Report of Metcalf & Eddy on the Cost of Constructing Certain Streets in the Fenway District, and the Special Assessments Therefor
14.	Nov. 18, 1908.	Report on Street Cleaning Department.

APPENDIX G.

ORDER OF CITY COUNCIL APPROVED DECEMBER 5, 1908, AND OPINION OF CORPORATION COUNSEL.

Boston, December 4, 1908

To the Common Council of Boston, City Hall, Boston :

GENTLEMEN,—I am requested by your body to give my opinion on the following questions :

1. Inasmuch as section 1 of chapter 562 of the Acts of 1908 recites the duties and powers of the Finance Commission, as expressed in the orders of the City Council of January 29 and March 7, 1907, and confers upon said Commission the power to prosecute said investigations, does said chapter nullify said orders ?

2. Under the provisions of said section 1, to what body does the Finance Commission make its report ?

3. Has the City Council the authority to pass an order extending the term of office of the said Finance Commission for the purpose of making the said report ?

In reply to the first question I would say that chapter 562 of the Acts of 1908 does not nullify the orders of the City Council of January 29 and March 7, 1907, concerning the Finance Commission ; the legislative act, not being inconsistent with the orders of the City Council, does not repeal said orders, but affirms them in the first section of the act, and gives to the Commission appointed by the Mayor, under said orders, additional authority.

In answer to the second question I would say that under the provisions of section 1, the Finance Commission is to make a report to the General Court. As it is a commission appointed by the Mayor under the authority of certain orders passed by the City Council, it also makes reports to the Mayor and City Council.

In answer to the third question I would say that the City Council has the right to pass an order extending the term of office of the Finance Commission for the purpose of making

reports to it of its doings. The authority of the commission to require the attendance and testimony of witnesses and to have books, contracts and papers produced before them is derived only from the legislative act and expires on the thirty-first day of December, 1908.

Yours truly,

(Signed) THOMAS M. BABSON,
 Corporation Counsel.

CITY OF BOSTON,
IN BOARD OF ALDERMEN, November 30, 1908.

Ordered, That, for the purpose of completing its reports, the term of office of the Finance Commission is hereby extended to January 31, 1909, and the said commission is authorized to make its final report at any time on or before January 31, 1909.

. Passed. Sent down for concurrence. December 3 came up concurred.

Approved by the Mayor December 5, 1908.

A true copy.

Attest :

W. J. DOYLE,
Assistant City Clerk.

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